The prospectus is being displayed in the website to make the prospectus accessible to more investors. The Philippine Stock Exchange (PSE) assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in the prospectus. Furthermore, the PSE makes no representation as to the completeness of the prospectus and disclaims any liability whatsoever for any loss arising from or in reliance in whole or in part on the contents of the prospectus.

CENTURY PROPERTIES
BUILDING PASSION

Century Properties Group, Inc.
(Incorporated in the Republic of the Philippines)

Primary Offer of 20,000,000 Preferred A Shares, with an Oversubscription Option of up to 10,000,000 Preferred A Shares with Initial Dividend Rate of [●]% per annum at an Offer Price of ₱100.00 per Preferred Share to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Sole Issue Manager, Lead Underwriter and Sole Bookrunner

CHINABANK CAPITAL

The date of this Preliminary Prospectus is October 4, 2019.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PRELIMINARY PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

Office Address
Century Properties Group, Inc.
21st Floor Pacific Star Building,
Sen. Gil Puyat Avenue corner Makati Avenue,
Makati City 1200

Contact Numbers
Trunkline (+632) 793-5500
Cellphone (+63917) 555-5274
www.century-properties.com

Century Properties Group Inc. (the "Issuer" or the "Company" or "CPGI" or the "Group") is offering cumulative, non-voting, non-participating, non-convertible, redeemable peso-denominated preferred shares (the Preferred Shares"), with a par value of ₱0.53 per share (the "Offer"), with a base offer of 20,000,000 Preferred Shares (the "Firm Shares"). In the event of oversubscription, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultant with the Company, reserves the right but not the obligation, to increase the Offer size by up to an additional 10,000,000 Preferred Shares (the "Oversubscription Option", and the Preferred Shares pertaining to such option, the "Oversubscription Option Shares"), subject to the registration requirements of the Securities and Exchange Commission (the "SEC"). The specific terms and conditions of the Offer are set out in the relevant sections of this Preliminary Prospectus. The Preferred Shares will be issued out of unsubscribed capital stock of the Company.

On September 30, 2019, the SEC approved the Company's application for the amendment of its Articles of Incorporation ("AOI") with the SEC for the reclassification of its shares. The Company's authorized capital stock is ₱ 9,540,000,000, consisting of 15,000,000,000 common shares of the par value of PHP0.53 each and 3,000,000,000 Preferred Shares with at par value of PHP0.53.

The Preferred Shares are being offered for subscription solely in the Philippines through China Bank Capital Corporation ("China Bank Capital" or the "Sole Issue Manager, Lead Underwriter and Sole Bookrunner"), and Selling Agents named herein at an offer price of ₱100.00 per Preferred Share (the "Offer Price"). The determination of the Offer Price is further discussed on page [●] of the this Preliminary Prospectus.

The Preferred Shares will be listed on the Main Board of The Philippine Stock Exchange, Inc. ("PSE") on [●], 2019 ("Issue Date") under the trading symbol "CPGP".

Following the Offer, if the Oversubscription Option is not exercised, the Company will have (a) 11,599,600,690 common shares and (b) 20,000,000 preferred shares issued and outstanding. Otherwise, if the Oversubscription Option is exercised in full, the Company will have (a) 11,599,600,690 common shares and (b) 30,000,000 preferred shares issued and outstanding.

Any and all preferred shares of the Corporation shall have preference over common shares in dividend distribution and in case of liquidation or dissolution. Dividends on the Preferred Shares shall be at a rate of [●]% per annum by reference to the Offer price thereof in respect of each Dividend Period. Subject to the limitations described in this Preliminary Prospectus, cash dividends on the Preferred Shares will be payable quarterly in arrears on [●] of each year (each a "Dividend Payment Date"), each being the last day of a Dividend Period following the relevant Issue Date. The dividends on the Preferred Shares will be calculated on a 30/360 basis. If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

The declaration and payment of cash dividends on each Dividend Period will be subject to the sole and absolute discretion of the Board to the extent permitted by applicable laws and regulations, and subject to the covenants (financial or otherwise) in the agreements to which the Company is a party. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders. The Board of Directors will not declare and pay dividends for any Dividend Period where payment of such dividends would cause the Issuer to breach any of its covenants (financial or otherwise).

Dividends on the Preferred Shares will be cumulative. On any future Dividend Payment Date on which dividends are declared, holders of the Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "Arrears of Dividends").

The Company may redeem the Offer Shares in whole (and not in part) on the sixth (6th) month of the third (3rd) anniversary of the Issue Date or on any Dividend Payment Date thereafter (each an "**Optional Redemption Date**"), after giving each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption, which notice shall be irrevocable and binding upon the Company to effect such optional redemption. The Company shall redeem the Offer Shares at a redemption price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends (the "**Redemption Price**"). In the event that the Optional Redemption Date falls on a day that is not a Business Day, then the redemption shall be made on the immediately succeeding day that is a Business Day without adjustment as to the Redemption Price to be paid.

In addition, the Company may redeem the Offer Shares in whole (and not in part) at any time prior to any Optional Redemption Date upon the occurrence of an Accounting Event (as defined in the section "Summary of the Offering"), a Tax Event (as defined in the section "Summary of the Offering") or a Change of Control Event (as defined in the section "Summary of the Offering"), provided that the Company shall have given each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption which must be a Business Day. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. Once the redemption option has been exercised, the Company shall redeem the Offer Shares and pay the Redemption Price no later than [five] Banking Days from the date of the intended date of redemption indicated in the notice.

Upon listing on the PSE, the Company reserves the right to purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Preferred Shares. The Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in this Preliminary Prospectus) and cancelled or kept as treasury shares, as applicable.

Documentary stamp tax and all other costs and expenses for the issuance of the Preferred Shares and the documentation, if any, shall be for the account of the Company.

However, the Company shall not be liable for: (a) any withholding tax applicable on dividends earned by or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), DST or other applicable taxes on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the Preferred Shares; (d) any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividend payable to any holder of the Share or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

CPGI expects to raise gross proceeds amounting to ₱2,000,000,000 and the net proceeds are estimated to be approximately ₱1,968,120,750.00 after deducting fees, commissions and expenses relating to the issuance of the Preferred Shares. If the Oversubscription Option of up to ₱1,000,000,000 is exercised, then the total additional net proceeds will be ₱989,947,000.00 after deducting fees, commissions and expenses relating to the issuance of the Preferred Shares. Proceeds of the Offer shall be used to fund the development of the Company's leasing project in Century City which has a lot area of 2,000 sq. m. and a GFA of 40,000 sq. m., and the Company's working capital requirements. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall receive a fee of 1.00% of the gross proceeds of the Offer, inclusive of amounts to be paid to PSE Trading Participants (the "Selling Agents").

The Preferred Shares shall be issued in scripless form through the electronic book-entry system maintained by the Registrar and lodged with PDTC as Depository Agent on Issue Date through Selling Agents nominated by the applicants. On the Issue Date, the Preferred Shares shall be listed in the PSE to facilitate secondary trading.

On October 4, , 2019, CPGI filed a Registration Statement with the SEC, in connection with the offer and sale to the public of equity securities, particularly, the Preferred Shares.

In the event that the Oversubscription Option is partly exercised or is not exercised at all during the Offer Period, the remaining Oversubscription Option Shares will be returned back to the unissued Preferred Shares.

CPGI confirms that this Preliminary Prospectus contains all material information relating to the Company, its Subsidiaries and affiliates namely, Century City Development Corporation ("CCDC"), Century Communities Corporation ("CCC"), Century Limitless Corporation ("CLC"), Century Properties Management, Inc. ("CPMI"), Century Destinations and Lifestyle Corp. ("CDLC") and PHirst Park Homes, Inc. ("PPHI"), which are, in the context of the issue and offering of the Preferred Shares, material (including all information required by applicable laws of the Republic of the Philippines), and are true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Preliminary Prospectus misleading in any material respect. CPGI confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion in this Preliminary Prospectus.

CPGI, however, has not independently verified any publicly available information, data, or analyses. Neither the delivery of this Preliminary Prospectus nor any sale made pursuant to the Offering, shall, under any circumstance, create any implication that the information contained or referred to in this Preliminary Prospectus is accurate as of any time subsequent to the date hereof. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner assumes no liability for any information contained in this Preliminary Prospectus and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Preliminary Prospectus. Unless otherwise indicated, all information in this Preliminary Prospectus is as of the date of this Preliminary Prospectus.

Neither the delivery of this Preliminary Prospectus nor any offering, sale or delivery made in connection with the issue of the Preferred Shares shall, under any circumstances, create any implication that the information contained or referred to in this Preliminary Prospectus is accurate as of any time subsequent to the date hereof. This Preliminary Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any of its affiliates, directors or advisors to subscribe for or purchase the Preferred Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not make any representation, express or implied, as to the accuracy or completeness of the information contained in this Preliminary Prospectus.

In making an investment decision, investors must rely on their own examination of CPGI and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Preliminary Prospectus only.

To the fullest extent permitted by law, none of the Issuer's advisors or the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any of its affiliates, directors or advisors accepts any responsibility for the contents of this Preliminary Prospectus. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any of its affiliates, directors or advisors accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Preliminary Prospectus or any such statement. None of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or any of its affiliates, directors or advisors undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Preliminary Prospectus nor to advise any investor or potential investor in the Preferred Shares of any information coming to the attention of the Issuer's advisors or Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

No dealer, salesman or any other person has been authorized by CPGI and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to give any information or to make any representation concerning the Preferred Shares other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by CPGI or by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in Preferred Shares, as described in this Preliminary Prospectus, involves a certain degree of risk. A prospective purchaser of the Preferred Shares should carefully consider several risk factors, such as risks inherent to the Company and the business and risks pertinent to the Philippines vis-à-vis risks inherent to the Preferred Shares, in addition to the other information contained in this Preliminary Prospectus, in deciding whether to invest in the Preferred Shares.

The contents of this Preliminary Prospectus are not to be considered as definitive legal, business or tax advice. Each prospective shareholder receiving a copy of this Preliminary Prospectus acknowledges that he has not relied on the Sole Issue Manager, Lead Underwriter and Sole Bookrunner in their investigation of the accuracy of any information found in this

Preliminary Prospectus or in his investment decision. Prospective purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Preferred Shares, among others. It is best to refer again to the section on "Risk Factors" for a discussion of certain considerations with respect to an investment in the Preferred Shares.

CPGI is organized under the laws of the Philippines. Its principal office address is at the 21/F Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, Philippines, with telephone number +63 2 7 793 5500.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY PREFERRED SHARES.

Century Properties Group, Inc. By:

JOSE EDUARDO B. ANTONIO
Executive Chairman

SUBSCRIBED AND SWORN to before me this 4th day of October 2019 at Makati City, Metro Manila affiant exhibiting to me his Driver's License with ID number N03-12-045361 issued on the 24th day of November 2018, at Makati City, and expiring on the 24th day of November 2023.

Doc. No. 3
Page No. 2
Book No. XVIII
Series of 2019.

DINDIN A. CRUZ
Appointment No. M-415
Notary Public for Makati City
Until December 31, 2019
19F Pacific Star Building, Sen. Gil Puyat
Cor. Makati Ave., Makati City
MCLE Compliance No. VI-0008370/05-03-2018
PTR No. 7333440/1-3-2019/Makati
IBP No. 057883/12-27/2018/Makati

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FORWARD-LOOKING STATEMENTS

This Preliminary Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by use of statements that include words or phrases such as “believes”, “expects”, “anticipates”, “intends”, “plans”, “foresees”, or other words or phrases of similar import. Similarly, statements that describe CPGI’s objectives, plans or goals are also forward-looking statements. All such forward-statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of CPGI include, among others:

- General economic and business conditions in the Philippines;
- Industry risk in which CPGI, its Subsidiaries and affiliates operate;
- Changes in laws and regulations that apply to the segment or industry in which CPGI, its Subsidiaries and affiliates operate; and
- Changes in political conditions in the Philippines.

For further discussion of such risks, uncertainties and assumptions, see “Risk Factors*”* on page [●]. Prospective purchasers of the Preferred Shares are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Preliminary Prospectus, and CPGI undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner does not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

Additional factors that could cause our actual results, performance or achievements to differ materially include those disclosed under “Risk Factors.” These forward-looking statements speak only as of the date of this Preliminary Prospectus. Each of the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. In light of these risks, uncertainties and assumptions, investors should be aware that the forward-looking events and circumstances discussed in this Preliminary Prospectus might not occur in the way we expect, or at all. Our actual results could differ substantially from those anticipated in our forward-looking statements. Investors should not place undue reliance on any forward-looking information.

DEFINITION OF TERMS

As used in this Preliminary Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

ACCRALAW	Angara Abello Concepcion Regala & Cruz Law Offices.
Act-IRR	Implementing Rules and Regulations of B.P. 220.
Application to Purchase or the Application	The application forms accomplished and submitted by an applicant for the purchase of a specified amount of the Preferred Shares, together with all the other requirements set forth in such application form.
AOI	Articles of Incorporation.
Arbitration Court	Permanent Court of Arbitration.
Arrears of Dividends	Dividends in which the declaration and/or payment have been deferred and which are due to the Shareholders.
Balikbayans	Former Filipino citizens who have returned to the Philippines.
Banking Day	A day (except Saturdays, Sundays and holidays) on which commercial banks in Makati City, Metro Manila, Philippines are open for business transactions.
Beneficial Owner	Any person (and “Beneficial Ownership” shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of such security; provided, however, that a person shall be deemed to have an indirect Beneficial Ownership interest in any security which is held by: i. Members of his immediate family sharing the same household; ii. A partnership in which he is a general partner; iii. A corporation of which he is a controlling shareholder;

iv. Subject to any contract, arrangement or understanding, which gives him voting power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be Beneficial Owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:

a. A broker dealer;
b. An investment house registered under the Investment Houses Law;
c. A bank authorized to operate as such by the BSP;
d. An insurance company subject to the supervision of the Office of the Insurance Commission;
e. An investment company registered under the Investment Company Act;
f. A pension plan subject to regulation and supervision by the Bureau of Internal Revenue and/or the Securities and Exchange Commission or relevant authority; and
g. A group in which all of the members are persons specified above.

BIR	Philippine Bureau of Internal Revenue.
Board of Directors or the Board	Board of Directors of CPGI.
BOI	Philippine Board of Investments.
B.P. 220	Batas Pambansa Blg. 220, An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those provided under Presidential Decrees Numbered 957, 1216, 1096 and 1185.
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines.
Building Code	Republic Act No. 6541 as amended by Presidential Decree No. 1096, also known as the National Building Code of the Philippines.
Business Day	or Banking Day shall be used interchangeably to refer to any day when commercial banks are

	open for business in Makati City, Metro Manila, except Saturday and Sunday or any legal holiday not falling on either a Saturday or Sunday.
By-Laws	The Company's By-Laws, as amended.
CCC	Century Communities Corporation.
CCDC	Century City Development Corporation.
CDLC	Century Destinations and Lifestyle Corp. (formerly known as Century Properties Hotel and Leisure, Inc.)
China Bank Capital	China Bank Capital Corporation as Sole Issue Manager, Lead Underwriter and Sole Bookrunner.
Civil Code	Republic Act No. 386, also known as the Civil Code of the Philippines, as amended.
CLC	Century Limitless Corporation.
Common Shares	Common shares of the Company with a par value of 53 centavos.
Constitution	The 1987 Constitution of the Philippines.
CPGI, or the Company, or the Group	Century Properties Group, Inc.
CPI	Century Properties, Inc.
CPMCC	Century Project Management and Construction Corporation.
CPMI	Century Properties Management, Inc.
CTRP	Comprehensive Tax Reform Program.
DAR	Philippine Department of Agrarian Reform.
DENR	Philippine Department of Environment and Natural Resources.
Depository/Depository Agent	Refers to PDTC.
DHSUD	Department of Human Settlements and Urban Development.
Dividend Payment Date	[●] of each year. If the Dividend Payment Date is not a Business Day, it will be paid on the next succeeding Business Day, without any adjustment as to the amount of dividend to be paid.

Dividend Period	[●]
Dividend Rate	[●]%
DST	Documentary Stamp Tax
EAPRC	East Asia Power Resources Corporation.
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization.
ECC	Environmental Compliance Certificate.
EGF	Environmental Guarantee Fund.
EIS	Environmental Impact Statement.
EMB	Environmental Management Bureau.
EMF	Environmental Monitoring Fund.
Electronic Registry of Shareholders	The electronic record of the issuances, sales and transfers of the Preferred Shares to be maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement.
EPPECI	El Paso Philippines Energy Company, Inc.
EPHE	EPHE Philippines Energy Corporation
FF/FF	Fully-Fitted and Fully-Furnished.
Firm Shares	Base offer of 20,000,000 Preferred Shares.
GDP	Gross Domestic Product.
GGDC	Global Gateway Development Corp.
GFA	Gross floor area.
Government	Government of the Republic of the Philippines.
HLURB	Housing and Land Use Regulatory Board.
HSAC	Human Settlements Adjudication Commission.
Issue Date	[●], 2019 or such date on which the Preferred Shares will be issued by CPGI to the Shareholders.
Sole Issue Manager, Lead Underwriter and Sole Bookrunner	Refers to China Bank Capital Corporation.

JV	Joint Venture.
LEED	Leadership in Energy and Environmental Design.
LGU	Local Government Unit.
Maceda Law	Republic Act No. 6552, “An Act to Provide Protection to Buyers of Real Estate on Installment Payments” otherwise known as the “Realty Installment Buyer Act”.
Meridien	Meridien Group of Companies.
MPO	Minimum Public Ownership.
Offer or Offering	The offer and issuance of the Preferred Shares by the Company pursuant to the Subscription Agreement, Underwriting Agreement, Application to Purchase, and the Registry and Paying Agency Agreement, which are summarized in the section “Description of the Preferred Shares”.
Offer Period	Commencing at 9:00 am on [●], 2019 and ending at 12:00 noon on [●], 2019 or such earlier day or later day as may be mutually agreed upon by the Issuer and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.
Offer Shares	Cumulative, non-voting, non-participating, non-convertible peso-denominated redeemable preferred shares with a par value of ₱0.53 per share, comprised of a base offer of 20,000,000 Preferred Shares and an oversubscription option of up to 10,000,000 Preferred Shares.
OFWs	Overseas Filipino Workers.
Oversubscription Option	In the event of an oversubscription, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, reserves the right, but do not have the obligation, to increase the Offer size by up to 10,000,000 Preferred Shares subject to the registration requirements of the SEC.
Oversubscription Option Shares	Preferred Shares pertaining to Oversubscription Option.
PAS	Philippine Accounting Standards.
P.D. 957	Presidential Decree No. 957, “The Subdivision and Condominium Buyers’ Protective Decree”, as amended.

P.D. 1529	Presidential Decree No. 1529, "Property Registration Decree".
PCAB	Philippine Contractors Accreditation Board.
PDTC	Philippine Depository and Trust Corporation.
PCD Nominee	PCD Nominee Corporation.
Person	Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority.
Peso or Pesos or P or ₱ or Php	Philippine Pesos, the lawful and official currency of the Republic of the Philippines.
PEZA	Philippine Economic Zone Authority.
PFRS	Philippine Financial Reporting Standards.
PIC	Philippine Interpretations Committee.
PPHI	PHirst Park Homes Inc.
Preferred Shares	Cumulative, non-voting, non-participating, non-convertible, redeemable peso-denominated SEC-registered perpetual preferred shares.
Preferred Share Transactions	Acquisition, ownership and disposition of the Preferred Shares, as well as declaration of dividends to holders thereof.
Preliminary Prospectus	This Preliminary Prospectus together with all its annexes, appendices and amendments, if any.
PSA	Philippine Standards on Auditing.
PSE	Philippine Stock Exchange.
PSRE	Philippine Standard on Review Engagement.
R.A. 4726	Republic Act No. 4726 or The Condominium Act.
R.A. 10667 or the "PCA"	Republic Act No. 10667 or the Philippine Competition Act, also referred to as the PCA.
R.A. 11201	Republic Act No. 11201 or Department Human Settlements and Urban Development Act.
Receiving Agent	[●]
Registrar	[●]

Revised Corporation Code	Republic Act No. 11232, or An Act Providing for the Revised Corporation Code of the Philippines.
SEC	Philippine Securities and Exchange Commission and its successor agency/ies.
Selling Agents	Refers to PSE Trading Participants.
SGV & Co.	SyCip Gorres Velayo & Co., the Company's Independent Auditor.
Shareholders	Holders of Preferred Shares
sq.m. or sqm	square meter(s).
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code of the Philippines", including its implementing rules and regulations as promulgated and amended or supplemented by the SEC from time to time.
Stock Transfer Agent	[●]
Subscription Agreement	Agreement between the Issuer and the Shareholder evidencing the latter's investment in Preferred Shares of the Company.
Subsidiaries	mean with respect to any Person, any entity of which fifty percent (50%) or more of whose securities, or other ownership interest having voting power to elect the board of directors or other person or body performing similar functions, are directly or indirectly owned by such Person.
Tax Code	The Philippine National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations as may be in effect from time to time.
TCT	Transfer Certificate of Title.
TRAIN Act	Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion".
Underwriting Agreement	Underwriting Agreement entered into on [●] between the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.
VAT	Value-Added Tax.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's financial statements and notes relating thereto, appearing elsewhere in this Preliminary Prospectus. Because it is a summary, it does not contain all the information that a prospective purchaser should consider before investing. Prospective purchasers of the Preferred Shares must read the entire Preliminary Prospectus carefully, including the section on "Risk Factors", and the financial statements and the related notes to those statements annexed to this Preliminary Prospectus. Capitalized terms not defined in this summary are defined in the section "Definition of Terms".

THE COMPANY

CPGI is one of the leading real estate companies in the Philippines with a 32-year track record. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums and single detached homes, leasing of retail and office space, and property management.

Currently, the Company has six principal subsidiaries – CCDC, CLC, CCC, PPHI, CDLC, and CPMI (collectively known as the "Subsidiaries"). Through its Subsidiaries, the Company develops, markets, and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of June 30, 2019, the Company has completed 27 projects, namely: 24 residential projects, consisting of 13,865 units and an aggregate gross floor area (GFA) of 1,119,929 sq.m. (Inclusive of parking); a retail commercial building with GFA of 52,233 sq.m. (Inclusive of parking); a medical office building with GFA of 74,103 sq.m. (Inclusive of parking); and an office building with GFA of 31,952 sq.m. of GFA (inclusive of parking). Furthermore, the Company has also completed 503 homes under its affordable housing segment. These are in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sq.m. that were completed prior to 2010 by the Meridien Group of Companies ("Meridien"), the founding principals' prior development companies. Noteworthy developments of Meridien include: the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City.

Completed Projects as of June 30, 2019

Residential Projects

Residential Projects	Location	Type	GFA in sq.m. (with parking)	Units	Year Completed
Century City					
Gramercy Residences	Makati City	Residential	121,595	1,432	2012
Knightsbridge Residences	Makati City	Residential	87,717	1,329	2013
Milano Tower	Makati City	Residential	64,304	516	2016
Trump Tower	Makati City	Residential	55,504	267	2017
Subtotal			***329,119***	***3,544***	
Azure Urban Resorts Residences					
Rio	Parañaque City	Residential	42,898	756	2013
Santorini	Parañaque City	Residential	36,126	553	2013

St. Tropez	Parañaque City	Residential	36,260	580	2014
Positano	Parañaque City	Residential	35,164	597	2015
Miami	Parañaque City	Residential	34,954	559	2015
Maui	Parañaque City	Residential	41,235	601	2016
Maldives	Parañaque City	Residential	28,859	385	2017
Boracay	Parañaque City	Residential	27,713	473	2018
Bahamas	Parañaque City	Residential	53,701	851	2019
Subtotal			***336,909***	***5,355***	
Acqua Private Residences					
Niagara	Mandaluyong City	Residential	33,709	474	2015
Sutherland	Mandaluyong City	Residential	41,705	735	2015
Dettifoss	Mandaluyong City	Residential	36,536	607	2016
Livingstone	Mandaluyong City	Residential	40,251	675	2016
Iguazu	Mandaluyong City	Residential	435,937	492	2018
Subtotal			***188,139***	***2,983***	
The Residences at Commonwealth by Century					
Osmeña West	Quezon City	Residential	14,525	158	2015
Quezon North	Quezon City	Residential	17,760	285	2017
Roxas East	Quezon City	Residential	27,255	389	2017
Osmeña East	Quezon City	Residential	14,089	220	2018
Subtotal			***73,630***	***1,052***	
Canyon Ranch					
Phase 1 & 2	Carmona, Cavite	Residential	166,400	781	
Moderno	Carmona, Cavite	Residential	25,303	150	
Subtotal			***73,630***	***931***	
Grand Total			**1,119,929**	**13,865**	

Commercial/ Office Projects

Commercial/Office Projects	Location	Type	CFA in sq.m. (with parking)	Units	Year Completed
Century City Mall	Makati City	Retail	52,233	150	2013
Centuria Medical Makati	Makati City	Medical Office	74,103	712*	2015
Asian Century Center	BGC, Taguig City	Office Building	56,284	55	2018
Total			**182,620**	**917**	

**571 units sold, 141 units for lease*

Sold Residential Projects

Project	Location	No. of Units Inventory	No. of Units Sold	% Sold	Total Sales Value (₱ millions)	Sold Revenues (₱ millions)	Remarks
Century City	Makati City	4,752	4,569	96%	37,788	34,267	Most of unsold units are under Century Spire. Target project turnover is 2021.
Azure South	Parañaque City	5,355	4,904	92%	22,966	20,104	The remaining unsold units are mainly under Bahamas, the last tower in Azure which is for turnover in 2019
Azure North	San Fernando, Pampanga	2,433	1,784	73%	10,618	6,789	All towers are under construction. Bali and Monaco are due for turnover in 2020 while Barbados, the last tower, is expected to be completed in 2021.

Acqua Residences	Mandaluyong City	3,320	3,247	98%	17,952	16,905	Novotel, the last tower, is due for completion in 2019
Commonwealth	Quezon City	3,286	2,778	85%	13,979	10,756	The last 3 towers are due for turnover in 2019 while the last one is expected to be completed in 2020
Canyon Ranch	Carmona, Cavite	929	917	99%	3,689	3,631	Substantially sold
PHirst Park Homes	Tanza, Cavite	2,113	1,948	92%	3,129	2,836	Launched in 2017, more than 500 houses are completed as of June 2019, Phase 1 is 98% sold, Phase 2 is 86% sold
	Lipa, Batangas	1,683	1,077	64%	2,468	1,476	Launched only in Q4 2018
	San Pablo, Laguna	1,241	484	39%	1,904	705	Launched only in Q1 2019
Batulao Artscapes	Nasugbu, Batangas	560	336	60%	3,409	2,008	Launched in 2017
TOTAL		25,672	22,044	86%	117,901	99,478	

The Company has a land bank for future development of 167 hectares consisting of: in-city properties for its future mid-rise buildingsand leasing projects in Katipunan Avenue and Novaliches in Quezon City, Mandaluyong City, and Pampanga, and tourism projects in Palawan and Batulao.

The Company, through its subsidiary CPMI also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value, and are safe and secure. CPMI manages 46 projects as of June 30, 2019 with 2.38 million sq.m of GFA (with parking) under management. Of the total, 76% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the One Corporate Center and Union Bank Plaza in Ortigas, BPI Buendia Center and Pacific Star Building in Makati City and Philippine National Bank Financial Center in Pasay City.

The Company's aim is to enhance the overall quality of life for its Filipino and foreign clients by providing distinctive, high quality and affordable properties. The Company focuses on differentiation to drive demand, increase its margins and grow market share. In particular, the Company identifies what it believes are the best global residential standards and adapts them to the Filipino market. The Company believes that it has earned a reputation for pioneering new housing concepts in the Philippines. One of the Company's significant contributions is the Fully-Fitted and Fully-Furnished ("FF/FF") concept, which is now an industry standard in the Philippines. The Company also employs a branding strategy that focuses on strategic arrangements with key global franchises to help capture and sustain consumers' awareness. To date, the Company has entered into agreements with Gianni Versace S.P.A., The Trump Organisation, Paris Hilton, Missoni Homes, Yoo by Philippe Starck, and Giorgio Armani S.P.A, among others.

The Company has marketed and sold to clients in more than 50 countries and, as a result, a significant portion of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of total pre-sales, in terms of value, for each of the last three years. The Company conducts its sales and marketing through the Company's extensive domestic and international network of 253 exclusive agents who receive monthly allowances and commissions and 468 non-exclusive commission-based agents and 186 brokers as of June 30, 2019.

For calendar years, 2016, 2017 and 2018 and for the six-month period ended June 30, 2019, revenue (including other income) was ₱7,272 million, ₱7,757 million, ₱11,776 million and ₱6,388 million, respectively, and net income was ₱727million, ₱650 million, ₱1,118 million and ₱772 million, respectively. As of June 30, 2019, the Company had total assets of ₱53,745 million, and total equity of ₱16,937 million (excluding non-controlling interest).

KEY INVESTMENT HIGHLIGHTS

The Company believes that it can effectively compete in the industry because of the following strengths:

- Growth strategy supported by favorable macroeconomic environment
- Proven track record of delivering innovative and high-quality projects in the luxury and middle-income condominium segments
- Diverse product offerings capitalizing on various market segments
- Strong international sales platform
- Experienced management team

A more detailed discussion of the Company's "Key Investment Highlights" may be found on page [●].

BUSINESS STRATEGY

The following are the strategies that the Company employs as it pursues its real property business:

- Leverage its industry leading reputation in the high-rise condominium market to develop mid-rise condominium projects
- Implement expansion outside Metro Manila for affordable housing projects
- Prudent expansion of commercial leasing portfolio to diversify earnings and generate recurring income
- Continue to expand leading international sales and marketing presence

A more detailed discussion of the Company's "Business Strategy" can be found on page [●].

RISKS OF INVESTING

Before making an investment decision, investors must rely on their own examination of the Company and the terms of the Offer, including the risks involved. These risks include:

- Macroeconomic risks that may affect the Company's financial and operating performance, such as:
    - the performance of the Philippine economy;
    - any economic and political instability in the Philippines;
    - acts of terrorism and violent crimes could destabilize the Philippines;
    - the credit ratings of the Philippines; and
    - occurrence of natural or other catastrophes, including severe weather conditions and other environmental factors, which may materially disrupt the Company's operations.

- Risks relating to the Company, its subsidiaries and their business and operations, brought about by the following facts:
    - The Company derives a significant portion of its revenue from Overseas Filipino Workers ("OFWs"), expatriate Filipinos, former Filipino citizens who have

returned to the Philippines ("Balikbayans") and other overseas buyers, which exposes the Company to risks relating to the performance of the economies where they are located;

- The Company is exposed to geographic portfolio concentration risks;
- Its portfolio of residential real estate property development projects exposes the Company to sector-specific risks;
- Since the Company operates in a competitive industry, it might not be able to maintain or increase its market share, profitability and ability to acquire land for new projects;
- The interests of joint venture partners and landowners for development projects may differ from the interests of the Company, and such joint venture partners and landowner may take actions that can adversely affect the Company;
- The Company uses celebrities and international brands to design, market and sell some of its properties;
- The Company may not be able to successfully manage its growth;
- The Company is involved in a cyclical industry and is affected by changes in general and local economic conditions;
- The Company might not be able to generate sufficient funds internally or through external financing to operate and grow its business as planned;
- The cancellation of sales of housing or condominium units could adversely affect business, financial condition and results of operations;
- The Company is controlled by Century Properties, Inc. ("CPI"), which is in turn, controlled by the Antonio family. Hence, the interests of the Antonio family may differ significantly from the interests of the other shareholders;
- The Company is highly dependent on certain directors and members of senior management;
- The Company may be unable to attract and retain skilled professionals, such as architects and engineers;
- Construction defects and building-related claims may be asserted against the Company, and it may be involved in litigation, which could result in financial losses or harm to its business;
- Third parties may contest the Company's titles to its properties;
- The Company faces risks relating to its property development, including risks relating to project costs, completion time frame and development rights.
- The Company's reputation may be adversely affected if it does not complete projects on time or to customers' requirements;
- The Company operates in a highly regulated environment and must obtain and maintain various permits, licenses and other government approvals;
- Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations;
- Natural or other catastrophes, including severe weather conditions, may materially disrupt operations, affect the ability to complete projects and result in losses not covered by insurance;
- The Company uses third-party non-exclusive brokers to market and sell some of its projects;
- The Company is exposed to risks relating to the ownership and operation of commercial real estate;
- The change of policy regarding transactions subject to Value-added tax ("VAT") could adversely affect the sales of the Company;
- Increases in interest rates and changes in Government borrowing patterns and Government policies could adversely affect the Company's and its customers' ability to obtain financing;
- Any restriction or prohibition on the Company's Subsidiaries' ability to distribute dividends would have a negative effect on its financial condition and results of operations;

  - A new accounting rule on the recognition of revenue may materially change the way the Company records revenue from the construction of real estate in its financial statements and could result in its revenue being lower and more volatile than under its current reporting method;
  - The Company is subject to certain debt covenants;
  - The Company shall, at any given time, consider business combination alternatives;
  - The Company is exposed to interest rate, liquidity, credit, currency and commodity risks;
  - The Company may suffer losses that are not covered by its insurance.

- Risks relating to the Preferred Shares, due to the following:
  - Preferred Shares may not be a suitable investment for all investors;
  - shareholders have no right to require redemption;
  - the Company's discretion to defer dividend payments on Preferred Shares;
  - volatility of the market price of the Preferred Shares;
  - sufficiency of the Company's residual assets, in case of liquidation;
  - the Company's existing and future indebtedness;
  - holders of the Preferred Shares may not be able to reinvest at a similar return on investment;
  - nature of Preferred Shares are non-voting shares.

For a more detailed discussion of the risks, refer to page [●].

SUMMARY FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim consolidated financial statements as of June 30, 2019 and for the six-month periods ended June 30, 2019 and 2018, and its audited consolidated financial statements as of and for the years ended December 31, 2018, 2017, and 2016. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Preliminary Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting", and were reviewed by SGV & Co., in accordance with Philippine Standard on Review Engagement ("PSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the PFRS and were audited by SGV & Co., in accordance with Philippine Standards on Auditing ("PSA"). Pursuant to the adoption of certain Interpretations issued by Philippine Interpretations Committee ("PIC"), the Group restated its consolidated statement of financial position as of December 31, 2018 and 2017 and its statements of cash flow for the years ended December 31, 2018, 2017 and 2016. The relevant accounts in the statement of financial position as of December 31, 2016 have not been restated and may not be comparable to the information presented in 2018 and 2017. See Note 2 of the Group's audited consolidated financial statements included elsewhere in this Preliminary Prospectus for more details.

The Group adopted PFRS 16, Leases, using the modified retrospective approach with the initial date of application of January 1, 2019. Amounts presented in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of comprehensive income as at and for the six-month periods ended June 30, 2018 are based on PAS 17, Leases, IFRIC 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases-Incentives, and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented as at and for the six-month ended June 30, 2019. Refer to Note 2 of the Group's unaudited interim condensed consolidated financial statements included elsewhere in this Preliminary Prospectus for the effect of the adoption of PFRS 16.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In Million Pesos (₱)	**For the six months ended June 30 (Unaudited)**		**For the years ended December 31 (Audited)**		
	2019	**2018**	**2018**	**2017**	**2016**
Revenue					
Real estate sales	5,415	3,755	9,577	5,346	4,968
Leasing revenue	248	193	407	342	338
Property management fee and other services	175	180	395	353	302
Interest income from accretion	208	199	322	665	656
Interest and other income	310	364	569	801	767

Gain on change in fair value of investment properties	117	18	377	286	348
Gain (loss) on change in fair value of derivative asset	(97)	151	116	(36)	(108)
Share in net earnings of joint ventures and associate	11	6	12	-	-
Total Revenue	**6,388**	**4,866**	**11,776**	**7,757**	**7,272**
Cost and Expenses					
Cost of real estate sales	3,480	2,101	5,655	2,806	2,901
Cost of Leasing	107	92	228	238	267
Cost of services	149	139	277	271	238
General, administrative and selling expenses	1,461	1,579	3,255	2,964	2,620
Interest and other financing charges	255	248	594	403	190
Unrealized foreign exchange loss	(66)	195	145	54	77
Total Cost and Expenses	**5,386**	**4,355**	**10,154**	**6,736**	**6,293**
Income Before Tax	**1,002**	**510**	**1,622**	**1,021**	**979**
Provision for Income Tax	**230**	**86**	**504**	**371**	**252**
Net Income	**772**	**423**	**1,118**	**650**	**727**
Other Comprehensive Income					
Unrealized gain (loss) on available-for-sale financial assets	0	0	(31)	26	-
Remeasurement Loss on Defined Benefit Plan	-	-	0	(0)	0
Total Comprehensive Income	**772**	**423**	**1,087**	**676**	**727**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In Million Pesos (₱)	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2016 (Audited)
ASSETS				
Current Assets				
Cash and cash equivalents	4,411	1,950	1,400	3,343
Receivables	5,767	2,047	7,541	6,742
Contract Assets	5,016	6,827	-	-
Real estate inventories	16,630	17,257	15,846	13,943
Due from related parties	418	394	491	533
Advances to suppliers and contractors	2,673	2,236	1,964	1,992
Prepayments and other current assets	1,434	1,284	1,009	1,303
Total Current Assets	**36,348**	**31,997**	**28,252**	**27,856**
Noncurrent Assets				
Noncurrent contract assets	991	1,895	-	-
Real estate receivables - net of current portion	-	-	2,442	4,666
Investment in and advances to joint venture	259	248	235	394
Deposits for purchased land	1,125	1,189	1,370	1,170
Investment properties	12,335	11,382	7,760	5,940
Property and equipment	1,592	1,274	1,069	486
Deferred tax assets - net	38	62	104	160
Other noncurrent assets	1,193	1,321	1,325	637
Total Noncurrent Assets	**17,532**	**17,370**	**14,304**	**13,453**
TOTAL ASSETS	**53,880**	**49,367**	**42,556**	**41,309**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	6,198	4,990	3,832	4,011
Contract liabilities	3,046	2,294	-	-
Customers' deposits	-	-	2,759	2,360
Short-term debt	2,059	2,207	1,416	506
Current portion of long-term debt	7,876	5,389	3,099	2,010
Current portion of bonds payable	1,394	-	-	-
Current portion of liability for purchased land	67	67	67	67
Current portion of lease liability	15			
Due to related parties	99	99	48	326
Income tax payable	10	5	3	8
Total Current Liabilities	**20,764**	**15,050**	**11,225**	**9,288**

In Million Pesos (₱)	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2016 (Audited)
Noncurrent Liabilities				
Long-term debt – net of current portion	7,720	11,645	10,083	10,482
Bonds payable – net of current portion	3,045	1,506	1,501	2,679
Liability for purchased land – net of current portion	323	302	381	454
Lease liability – net of current portion	7	-	-	-
Pension liabilities	256	251	235	237
Deferred tax liabilities - net	2,457	2,525	2,451	2,553
Other noncurrent liabilities	762	625	423	270
Total Noncurrent Liabilities	**14,572**	**16,853**	**15,075**	**16,674**
Total Liabilities	**35,336**	**31,903**	**26,300**	**25,962**
Equity				
Capital stock	6,201	6,201	6,201	6,201
Additional paid-in capital	2,640	2,640	2,640	2,640
Treasury shares	(110)	(110)	(110)	(110)
Other components of equity	99	99	99	59
Retained earnings	8,173	7,590	6,923	6,498
Remeasurement Loss on Defined Benefit Plan	(66)	(66)	(35)	(61)
Total equity attributable to Parent Company	**16,937**	**16,354**	**15,718**	**15,227**
Non-controlling interests	**1,608**	**1,109**	**537**	**120**
Total Equity	**18,545**	**17,463**	**16,256**	**15,346**
TOTAL LIABILITIES AND EQUITY	**53,880**	**49,367**	**42,556**	**41,309**

Pursuant to the adoption of certain Interpretations issued by PIC, the Group restated its consolidated statement of financial position as of December 31, 2018 and 2017 and its statements of cash flow for the years ended December 31, 2018, 2017 and 2016. The relevant accounts in the statement of financial position as of December 31, 2016 have not been restated and may not be comparable to the information presented in 2018 and 2017. See Note 2 of the Group's audited consolidated financial statements included elsewhere in this Preliminary Prospectus for more details.

FINANCIAL RATIOS

Please refer to the section entitled "Selected Financial Information" located on page [●] of this Preliminary Prospectus for further details.

As indicated (in ₱ Mn unless otherwise stated)	**For the six months ended June 30 (Unaudited)**		**For the years ended December 31 (Audited)**		
	2019	**2018**	**2018**	**2017**	**2016**
Net income attributable to the owners of the parent company	721	366	986	630	727
Weighted average number of shares	11,600	11,600	11,600	11,600	11,600
EPS, basic / diluted (₱)	0.062	0.032	0.085	0.054	0.063
Return on Asset (ROA)					
Total net income after tax	1,545	846	1,118	650	727
Total asset current year	53,880	47,082	49,367	42,556	41,309
Total asset prior year	49,367	42,556	42,556	41,309	37,478
Average total asset	51,623	44,819	45,961	41,932	39,393
ROA (%)	**3.0%**	**1.9%**	**2.4%**	**1.5%**	**1.8%**
Return on Equity (ROE)					
Total net income after tax	1,545	846	1,118	650	727
Total equity current year	18,545	16,466	17,463	16,256	15,346
Total equity prior year	17,463	16,256	16,256	15,346	14,634
Average total equity	18,004	16,361	16,860	15,801	14,990
ROE (%)	**8.6%**	**5.2%**	**6.6%**	**4.1%**	**4.8%**
Interest coverage ratio					
Total net income after tax	772	423	1,118	650	727
Add: Provision for income tax	230	86	504	371	252
Add: Interest expense	255	248	414	287	102
EBIT	1,257	758	2,036	1,308	1,081
Interest expense	255	248	414	287	102
Interest coverage ratio (x)	**4.93**	**3.05**	**4.92**	**4.56**	**10.60**
Debt service coverage ratio					
Total Debt Service excluding sale of receivables with recourse and refinancing	3,369	5,021	4,211	5,141	4,372
Add: Cash and cash equivalents	4,409	1,855	1,950	1,400	3,343
Cash Before Debt Service	7,778	6,876	6,161	6,541	7,715
Divide: Debt service	3,369	5,021	4,211	5,141	4,372
Debt service coverage ratio (x)	**2.31**	**1.37**	**1.46**	**1.27**	**1.76**

	For the six months ended June 30 (Unaudited)		For the years ended December 31 (Audited)		
	2019	**2018**	**2018**	**2017**	**2016**
Current ratio					
Current Assets	36,348	31,866	31,997	28,252	27,856
Current Liabilities	20,764	13,703	15,050	11,225	9,288
Current ratio (x)	**1.8**	**2.3**	**2.1**	**2.5**	**3.0**
Debt to equity ratio					
Short term debt	2,059	1,488	2,207	1,416	506
Current portion of long-term debt	7,876	4,270	5,389	3,099	2,010
Current portion of bonds payable	1,394	-	-	-	-
Long-term debt – net of current Portion	7,720	11,873	11,645	10,083	10,482
Bonds payable – net of current	3,045	1,501	1,506	1,501	2,679
Debt	22,094	19,132	20,747	16,100	15,677
Equity	18,545	16,466	17,463	16,256	15,347
Debt to equity ratio (x)	**1.2**	**1.2**	**1.2**	**1.0**	**1.0**
Net debt to equity ratio					
Debt	22,094	19,132	20,747	16,100	15,676
Less: Cash and cash equivalents	4,411	1,855	1,950	1,400	3,343
Net Debt	17,683	17,277	18,796	14,699	12,333
Total Equity	18,545	16,466	17,463	16,256	15,346
Net debt to equity ratio (x)	**1.0**	**1.1**	**1.1**	**0.9**	**0.8**
Asset to equity ratio					
Total Assets	53,880	47,082	49,367	42,556	41,309
Total Equity	18,545	16,466	17,463	16,256	15,346
Asset to equity ratio (x)	**2.9**	**2.9**	**2.8**	**2.6**	**2.7**
Total Liabilities / Total Equity					
Total Liabilities	35,336	30,616	31,903	26,300	25,962
Total Equity	18,545	16,466	17,463	16,256	15,346
Total Liabilities / Total Equity	**1.9**	**1.9**	**1.8**	**1.6**	**1.7**

Notes:

1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two)
2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two)
3) Interest coverage ratio is equal to earnings before interest and taxes (EBIT) divided by interest expenses
4) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity

5) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
7) Asset to Equity ratio is total assets over total equity

SUMMARY OF THE OFFFERING

The following does not purport to be a complete listing of all the rights, obligations and privileges attaching to or arising from the offer of the Preferred Shares. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Company and the Preferred Shares. Each prospective shareholder must rely on its own appraisal of the Company and the proposed equity raising and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed equity raising and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Preliminary Prospectus. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Preferred Shares. Accordingly, any decision by a prospective investor to invest in the Preferred Shares should be based on a consideration of this Preliminary Prospectus as a whole. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.

Issuer	Century Properties Group, Inc.
Instrument	Cumulative, non-voting, non-participating, non-convertible, redeemable peso-denominated SEC-registered preferred shares (the "Preferred Shares")
Use of Proceeds	The net proceeds of the Offer shall be used to fund the development of the Company's leasing project in Century City and the Company's working capital requirements. For a further discussion, please refer to "Use of Proceeds" on page [●])
Par Value	₱0.53 per Preferred Share
Offer Price	₱100.00 per Preferred Share
Issue Size	A base offer of 20,000,000 Preferred Shares (the "Firm Shares"). In the event of oversubscription, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultant with the Company, reserves the right but not the obligation, to increase the Offer size by up to an additional 10,000,000 Preferred Shares (the "Oversubscription Option", and the Preferred Shares pertaining to such option, the "Oversubscription Option Shares").
Tenor	Non-Call 3.5 Step Up 3.5
Dividend Rate	The Dividend Rate applicable to the Preferred Shares shall mean: (a) from the Issue Date up to (but excluding) the Step-Up Date, the Initial Dividend Rate (as defined below); and (b) from the Step-Up Date, unless the Preferred Shares are redeemed, the higher of the Initial Dividend Rate and the Step-Up Rate (as defined below). The dividends on the Preferred Shares will be calculated on a 30/360-day basis.

Initial Dividend Rate	As and if cash dividends are declared by the Board of Directors of the Company, cash dividends on the Preferred Shares shall be at the fixed rate of [●]% per annum (the "**Initial Dividend Rate**"), calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (as defined below). A "**Dividend Period**" shall refer to the period commencing on the Issue Date and having a duration of three months, and thereafter, each of the successive periods of three months commencing on the last day of the immediately preceding Dividend Period up to, but excluding, the first day of the immediately succeeding Dividend Period.
Dividend Payment Dates and Dividend Periods	The Offer Shares shall, subject to the conditions for the declaration and payment of dividends, bear cumulative, nonparticipating cash dividends based on the Offer Price, at the Dividend Rate per annum from the Issue Date, payable on [●] as the first dividend payment date, and thereafter every [●] and [●] of each year (each, a "Dividend Payment Date"), being the last day of each 3-month period (each, a "Dividend Period") following the Issue Date. The dividends on the Offer Shares will be calculated on a 30/360-day basis for each Dividend Period. If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustments as to the amount of dividends to be paid. A "Business Day" means a day other than a Saturday or Sunday on which banks in Makati City. Metro Manila are generally open for normal banking business.
Step-Up Benchmark Rate	The Step-Up Benchmark Rate will be equivalent to the simple average of the yield designated as "Final BVAL YTM" (or its successor designation) for the 7-year Republic of the Philippines Peso-denominated domestic government bonds, as published on the relevant page of Bloomberg at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) Banking Days immediately preceding and inclusive of the Re-Pricing Date.
Dividend Rate Step-Up	If the Preferred Shares are not redeemed by the sixth (6^{th}) month of the third (3^{rd}) anniversary from the Issue Date or if the Preferred Shares are not redeemed within [●] calendar days after the occurrence of an Indebtedness Default Event, Accounting Event, or Tax Event (each as defined below), the Dividend Rate shall be adjusted to the higher of: (a) the prevailing Dividend Rate; or (b) a Dividend Rate equal to the Step-Up Benchmark Rate plus 250% of the Initial Spread
Offer Period	Commencing at 9:00 am on [●], 2019 and ending at 12:00 nn on [●], 2019 or such earlier day or later day as maybe jointly determined by the Issuer and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. The Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE, as applicable.

Issue Date	The Issuer intends to list the Preferred Shares in the Main Board of the PSE, Inc. on [●], 2019.
Manner of Distribution	The Preferred Shares will be distributed to retail and/or qualified institutional investors via public offering.
Conditions on Declaration of Cash Dividends	To the extent permitted by applicable laws and regulations, and subject to the covenants (financial or otherwise) in the agreements to which the Company is a party, the Board has the exclusive and absolute discretion on the declaration and payment of cash dividends on each Dividend Period. No declaration nor payment of dividends shall be made by the Board of Directors for any Dividend Period where payment of such dividends would cause the breach by the Issuer any of its covenants (financial or otherwise).
Registration	To be registered with the SEC.
Optional Redemption of Preferred Shares	As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem the Preferred Shares on the sixth (6th) month of the third (3rd) anniversary from the Issue Date or on any Dividend Payment Date thereafter (each an "Optional Redemption Date"), in whole but not in part, at a redemption price (the "Redemption Price") equal to the relevant Offer Price of the Preferred Shares plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends. On the applicable Optional Redemption Date, the Company has the option to redeem, without preference or priority, in whole but not in part, the Preferred Shares. The Company may also redeem the Preferred Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing, having given not more than 60 nor less than 30 days' notice prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Company at the Redemption Price which shall be paid within [five] Banking Days of the exercise of the right to redeem the Preferred Shares.
Redemption Due to an Accounting Event	In the event an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Issuer stating that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer, the Issuer having given not more than 60 nor less than 30 days' notice, may redeem any subseries of the Preferred Shares in whole, but not in part at the Redemption Price. See "*Description of the Preferred Shares*" of this Preliminary Prospectus.

Redemption Due to a Tax Event	A tax event ("**Tax Event**") shall occur if payments on the Preferred Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Company.
Redemption Due to a Change of Control Event	If a Change of Control Event occurs, the Company may redeem the Offer Shares (in whole but not in part) provided that the Company shall have given each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption which must be a Business Day. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. Once the redemption option has been exercised, the Company shall redeem the Offer Shares and pay the Redemption Price no later than [five] Banking Days from the date of the intended date of redemption indicated in the notice. "**Change of Control Event**" shall occur if any person or group of related persons, other than the CPGI Principal Shareholders, becomes the beneficial owner(s), directly or indirectly, of a higher percentage of the total voting power of the outstanding Voting Stock of the Company than the aggregate percentage of the total voting power of the outstanding voting stock of the Company beneficially owned, directly or indirectly, by the CPGI Principal Shareholders. **"Voting stock"** means, with respect to any person, share capital of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person. "**CPGI Principal Shareholders**" means (i) Jose E.B. Anotnio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio and Jose Roberto R. Antonio; and (ii) any Affiliate of the foregoing. "**Affiliate**" means, with respect to any person, any other person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person; or (ii) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a person described in (i). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract, or otherwise.

No Sinking Fund	The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for redemption of the Preferred Shares.
Purchase of the Preferred Shares	The Company reserves the right to purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Preferred Shares upon listing on the PSE. The Preferred Shares so purchased may either be (a) redeemed (pursuant to their terms and conditions as set out in this Preliminary Prospectus) and cancelled or (b) kept as treasury shares, as applicable.
Taxation	In case of payments in respect of the Preferred Shares, the same must be free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. The Company is liable to pay additional amounts if such taxes or duties are imposed. This will enable the holders of the Preferred Shares to receive full amount of the relevant payment which otherwise would have been due and payable. However, the Company shall not be liable for: (a) any withholding tax applicable on dividends earned by or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), DST or other applicable taxes on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the Preferred Shares; (d) any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividend payable to any holder of the Share or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes). In case of sums payable to tax-exempt entities by the Company, the same shall be paid in full without deductions for taxes, duties, assessments or governmental charges as long as said entities present sufficient proof of such tax- exempt status from the tax authorities. See "Plan of Distribution—Application to Purchase" of this Preliminary Prospectus for the list of documents required to be submitted as proof of tax-exempt status. As to DST and all other costs and expenses for the issuance of the Preferred Shares and the documentation, if any, the same shall be for the account of the Company.

Form, Title and Registration of the Preferred Shares	In case of issuance of Preferred Shares, the same shall be made in scripless form through the electronic book-entry system maintained by the Registrar and lodged with PDTC as Depository Agent on Issue Date through Selling Agents nominated by the applicants. In the Application to Purchase, applicants shall indicate in the proper space provided for the name of the Selling Agents under whose name their Preferred Shares will be registered and the relevant Selling Agents shall sign the Application to Purchase on the space provided therefor. The Registry of Shareholders will show the legal title to the Preferred Shares and will be maintained by the Registrar. A transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder) shall be sent by the Registrar. At least once every quarter, the Registrar shall send a Statement of Account to all Shareholders named in the Registry of Shareholders, confirming the number of Preferred Shares held by each Shareholder of record in the Registry of Shareholders. This Statement of Account will serve as evidence of ownership of the relevant Shareholder as of a given date thereof. The requesting Shareholder shall be answerable for any request for certifications, reports or other documents from the Registrar, except as provided herein.
Selling and Transfer Restrictions	The normal Philippine selling restrictions for listed securities shall apply to initial placement of the Preferred Shares and subsequent transfers of interests in the Preferred Shares.
Governing Law	The terms and conditions of the Preferred Shares will be governed by and issued pursuant to the laws of the Republic of the Philippines.
Features of the Preferred Shares	
Status of the Preferred Shares	The Preferred Shares will constitute the direct and unsecured subordinated obligations of the Company ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other Preferred Shares issued by the Company.
Dividend Cumulative	Dividends on the Preferred Shares will be cumulative. The Company is not liable to pay a dividend on the Dividend Payment Date for that Dividend Period if for any reason the Board of Directors of the Company does not declare a dividend on the Preferred Shares for a Dividend Period. However, holders of the Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as the Arrears of Dividends on any future Dividend Payment Date on which dividends are declared.
No Voting Rights	The Preferred Shares shall have no voting rights except as specifically provided by the Revised Corporation Code.

Non-Participating	Participation in any other or further dividends beyond the dividends specifically payable on the Preferred Shares shall not be granted to holders of the Preferred Shares.
Non-Convertible	The Preferred Shares shall not be convertible to any other preferred shares or common shares of the Company.
No Pre-emptive Rights	Pre-emptive rights are not extended to holders of Preferred Shares over all share issuances of the Company including, without limitation, treasury shares.
Liquidation Rights	The direct and unsecured subordinated obligations of the Company is founded upon the Preferred Shares ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other Preferred Shares issued by the Company. The obligations of the Company in respect of the Preferred Shares in the event of a return of capital in respect of the Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, will be, subject to and to the extent permitted by applicable law, rank: (a) junior to all unsubordinated obligations of the Company and any obligation assumed by the Company under any guarantee of, or any indemnity in respect of, any obligation or commitment which rank or are expressed to rank senior to the Preferred Shares; and (b) *pari passu* with each other. Receipt, in Pesos out of the Company's assets available for distribution to shareholders, together with the holders of any other of the Company's shares ranking, as regards repayment of capital, *pari passu* with the Preferred Shares and before any distribution of assets is made to holders of any class of the Company's shares ranking after the Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be, shall be granted to the holders of the Preferred Shares at the time outstanding. The holders of the Preferred Shares and of such other shares will share ratably in any such distribution of the Company's assets in proportion to the full respective preferential amounts to which they are entitled if, upon any return of capital in the Company's winding up, the amount payable with respect to the Preferred Shares and any other of the Company's shares ranking as to any such distribution pari passu with the Preferred Shares is not paid in full. The holders of the Preferred Shares shall have no right nor claim to any of the Company's remaining assets and will not be entitled to any further participation or return of capital in a winding-up after payment of the full amount of the liquidating distribution to which they are entitled.

Other Terms of the Offer	
Minimum Subscription to the Preferred Shares	Each application to subscribe to the Preferred Shares shall be for a minimum of 500 Preferred Shares, and thereafter, in multiples of 100 Preferred Shares. No application for multiples of any other number of Preferred Shares will be considered.
Eligible Investors	The Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, provided that the Company may reject an Application or reduce the number of Preferred Shares applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory minimum Filipino ownership requirement. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations. Law may restrict subscription to the Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing to or purchasing the Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Preferred Shares.
Procedure for Application	Applications to purchase may be obtained from the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by the Applicant or an authorized signatory of the Applicant and accompanied by two completed specimen signature cards, the corresponding payment for the Preferred Shares covered by the Application to Purchase and all other required documents including documents required for registry with the Registrar and Depository Agent. The duly executed Application to Purchase and required documents should be submitted to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agents on or prior to the set deadlines for submission of Applications to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner and Selling Agents, respectively. If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following document: i. a certified true copy of the Applicant's latest AOI and by-laws, general information sheet or equivalent constitutive documents, each as amended to date, duly certified by the corporate secretary (or equivalent officer);

	ii. a certified true copy of the Applicant's SEC certificate of registration, duly certified by the corporate secretary (or equivalent officer); and a duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Preferred Shares indicated in the Application, and (ii) the designated signatories authorized for the purpose, including their respective specimen signatures.
Payment for the Preferred Shares	The Preferred Shares must be paid for in full upon submission of the Application. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and specimen signature card together with the requisite attachments. Payment for the Preferred Shares shall be made by manager's check/cashier's check, corporate check or personal check drawn against any Bangko Sentral ng Pilipinas ("**BSP**") authorized bank or any branch thereof. All checks should be made payable to ["●"], crossed "Payee's Account Only," and dated on or before the date as the Application. The Applications and the related payments will be received at any of the offices of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner or Selling Agents. Cash payments shall not be accepted.
Acceptance/Rejection of Applications	The actual number of Preferred Shares that an Applicant will be allowed to subscribe for is subject to the confirmation of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. The Company, upon consultation with the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement to be entered into by the Company and the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any acceptance or receipt of payment pursuant to the Application does not constitute approval or acceptance by the Company of the Application. An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Notwithstanding the acceptance of any Application by the Company, the actual subscription by the Applicant for the Preferred Shares will become effective only upon listing of the Preferred Shares on the PSE and upon the obligations of the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods

<table>
<tr><td></td><td>provided above, all Application payments will be returned to the Applicants without interest.</td></tr>
<tr><td>Refunds for Rejected Applications</td><td>In the event that the number of Preferred Shares to be allotted to an Applicant, as confirmed by the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, within five Business Days from the end of the Offer Period, all or the portion of the payment corresponding to the number of Preferred Shares wholly or partially rejected. All refunds shall be made through the [Sole Issue Manager, Lead Underwriter, and Sole Bookrunner or Selling Agent with whom the Applicant has filed the Application] at the Applicant’s risk.</td></tr>
<tr><td>Local Small Investors</td><td>There will be no allocation to Local Small Investors under the proposed offering.</td></tr>
<tr><td>Expected Timetable</td><td>The timetable of the Offer is expected to be as follows:

<table>
<tr><td>SEC en Banc approval and issuance of Pre-effective letter</td><td>[●]</td></tr>
<tr><td>PSE Board Approval and issuance of Notice of Approval</td><td>[●]</td></tr>
<tr><td>Dividend Rate Setting</td><td>[●]</td></tr>
<tr><td>Dividend Rate Announcement</td><td>[●]</td></tr>
<tr><td>Issuance of Permit to Sell and Order of Registration</td><td>[●]</td></tr>
<tr><td>Offer Period</td><td>[●]</td></tr>
<tr><td>PSE Trading Participants’ Submission of firm undertaking</td><td>[●]</td></tr>
<tr><td>PSE Trading Participants’ Allocation</td><td>[●]</td></tr>
<tr><td>Issue Date and commencement of trading on the PSE</td><td>[●]</td></tr>
</table>

The dates included above are subject to market and other conditions and may be changed, subject to approval of the SEC and PSE, as applicable.</td></tr>
<tr><td>Sole Issue Manager, Lead Underwriter and Sole Bookrunner</td><td>China Bank Capital Corporation

For more information on the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, please see “Plan of Distribution”.</td></tr>
<tr><td>Selling Agents</td><td>Trading Participants of the PSE</td></tr>
<tr><td>Registrar/ Stock Transfer Agent</td><td>[●]</td></tr>
<tr><td>Receiving Agent</td><td>[●]</td></tr>
</table>

Depository Agent	Philippine Depository & Trust Corp. ("PDTC")
Counsel to the Issuer	Divina Law
Counsel to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner	Angara Abello Concepcion Regala & Cruz Law Offices

DESCRIPTION OF THE PREFERRED SHARES

This section is not intended to be a complete enumeration of all the Preferred Shares' rights, obligations or privileges. Further limitation or restriction of these rights, obligations, or privileges may be found in other documents. Careful review and understanding of the AOI, By-Laws and resolutions of the Board of Directors and Shareholders of CPGI, the information contained in this Preliminary Prospectus, the Subscription Agreements, and other agreements relevant to the Offer shall be made by the prospective Shareholders. Further, consultation with their legal counsels and accountants are likewise encouraged to better advised of the circumstances surrounding the Preferred Shares.

SHARE CAPITAL OF CPGI

Under the Revised Corporation Code, a corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the AOI and the by- laws of the corporation.

Considering that the Company is subject to foreign restrictions on account of its land ownership, the Company is limited to a maximum of 40% foreign ownership of both the total issued and outstanding capital stock entitled to vote and the total number of issued and outstanding capital stock, whether or not entitled to vote.

As of December 31, 2018, the authorized capital stock of the Company consists of 18,000,000,000 common shares with a par value of ₱0.53 per share, 11,599,600,690 shares of which have been issued and fully paid.

On September 30, 2019, the Company has filed an application for the amendment of its AOI with the SEC for the reclassification of its shares. Upon the approval of the amended AOI, the Company's authorized capital stock would amount to ₱ 9,540,000,000.

The Preferred Shares will be issued out of the unissued capital stock of the Company. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Issuer, have the discretion to allocate the Oversubscription Option of up to ₱1,000,000,000 at the end of the Offer Period in the event that Oversubscription Option is exercised.

THE PREFERRED SHARES

GENERAL FEATURES

The following are the features, rights and privileges of the Preferred Shares:

Nature	Cumulative, non-voting, non-participating, non-convertible to common shares, redeemable peso-denominated SEC-registered preferred shares
Issue Size	₱2,000,000,000 with Oversubscription Option of up to ₱1,000,000,000
Par Value	₱0.53 per Preferred Share
Offer Price	₱100 per Preferred Share
Tenor	Perpetual Non-Call 3.5 Step Up 3.5
Initial Dividend Rate	Fixed rate of [●]% per annum, in all cases calculated in respect of each share by reference to the Offer Price thereof in respect of each Dividend Period.

Dividend Rate Step-Up	By the sixth (6^{th}) month of the third (3^{rd}) anniversary from the Issue Date, the Dividend Rate shall be adjusted to the higher of: (a) the prevailing Dividend Rate; or (b) a Dividend Rate equal to the step-up benchmark rate plus 250% of the Initial Spread

SPECIFIC OR PARTICULAR FEATURES OF THE PREFERRED SHARES

The following are certain features specific or particular to the Preferred Shares:

In General: No Voting Rights

The Preferred Shares shall have no voting rights except as specifically provided by the Revised Corporation Code. Thus, Shareholders shall not be eligible, for example, to vote for or elect the Company's Board of Directors or to vote for or against the issuance of a stock dividend. Shareholders, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the AOI. These acts, which require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Company are as follows:

- Amendment of the Company's AOI;
- Amendment of the Company's By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of capital stock;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
- Dissolution of the Company.

Dividend Policy in Respect of the Preferred Shares

Dividend Rates Applicable to the Offer Shares

The Dividend Rate applicable to the Offer Shares shall mean:

(a) From the Issue Date up to (but excluding) the Step Up Date, the Initial Dividend Rate (as defined below); and

(b) From the Step-Up Date, unless the Offer Shares are redeemed, the higher of the Initial Dividend Rate and the Step-Up Rate (as defined below).

Initial Dividend Rate

In case of declaration of dividends by Board, it shall be at a rate of [•]% per annum by reference to the Offer price in respect of each Dividend Period.

As to Cash dividends on the Preferred Shares, the same shall be payable quarterly in arrears on Dividend Payment Date, each being the last day of a Dividend Period following the relevant Issue Date. The dividends on the Shares will be calculated on a 30/360 basis. In the event that the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

Step Up Rate

Unless the Offer Shares are not redeemed by the sixth (6th) month of the third (3rd) anniversary from the Issue Date or if the Offer Shares are not redeemed within [●] calendar days after the occurrence of an Default Event, Accounting Event, or Tax Event (each as defined below), the Dividend Rate shall be adjusted to the higher of:

(a) the prevailing Dividend Rate; or

(b) Dividend Rate equal to the Step-Up Benchmark Rate plus 250% of the Initial Spread

The Step-Up Benchmark Rate will be equivalent to the simple average of the yield designated as "Final BVAL YTM" (or its successor designation) for the 7-year Republic of the Philippines Peso-denominated domestic government bonds, as published on the relevant page of Bloomberg at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) Banking Days immediately preceding and inclusive of the Pricing Date.

In the event that BVAL is replaced by a new benchmark rate as determined by the Bankers Association of the Philippines ("**BAP**") or the BSP, such new benchmark rate shall be adopted for purposes of determining the applicable Dividend Rate (the "**New Benchmark Rate**"). In the absence of such new replacement benchmark rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use or apply BVAL, the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner shall negotiate to adopt an alternative rate that will serve as the New Benchmark Rate.

"**Default Event**" means the occurrence of one or more of the following events: (a) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default, or the like (howsoever described); or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (iii) the Company or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guaranty or suretyship for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guaranties, suretyships, and indemnities in respect of which one or more of the events mentioned above in this definition have occurred equals or exceeds PHP[500,000,000] (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Philippine Peso as quoted by any leading bank on the day on which a calculation is made).

"**Accounting Event**" shall mean that in the event an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Issuer stating that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer, the Issuer having given not more than 60 nor less than 30 days' notice, may redeem any subseries of the Preferred Shares in whole, but not in part at the Redemption Price.

"**Tax Event**" shall occur if payments on the Preferred Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to

Dividend Period; Dividend Payment Date

If declared by the Board of Directors of the Company in accordance with the terms and conditions of the Offer Shares, the cash dividends on the Offer Shares will be payable [quarterly] in arrears on the last day of each Dividend Period, that is, [●], [●], [●], and [●] (each a "**Dividend Payment Date**") provided, that if the relevant Dividend Payment Date falls on a day that is not a Business Day, then the cash dividends shall be paid on the immediately succeeding Business Day without adjustment as to the amount of cash dividends to be paid.

Conditions on Declaration and Payment of Cash Dividends

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors of the Company, to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party.

The Board of Directors will not declare and pay dividends for any Dividend Period where payment of such dividends would cause the Company to breach any of its covenants (financial or otherwise).

If the profits available to distribute as dividends or distributions are, in the Board's reasonable opinion, not sufficient to enable the Company to pay in full, on the same date, both dividends on the Preferred Shares and the dividends or distributions on other securities that are scheduled to be paid on or before the same date as the dividends on the Preferred Shares, and have an equal right to dividends or distributions as the Preferred Shares, the Company is required: first, to pay in full, or to set aside an amount equal to, all dividends or distributions scheduled to be paid on or before that dividend or distribution payment date, and any arrears on past cumulative dividends or distributions, on any securities with a right to dividends or distributions ranking in priority to that of the Preferred Shares; and second, to pay dividends or distributions on the Preferred Shares and any other securities ranking equally with the Preferred Shares as to participation in profits, *pro rata* to the amount of the cash dividends or distributions scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividends or distributions payable on that date and any arrears on past cumulative dividends or distributions on any securities ranking equal in the right to dividends or distributions with the Preferred Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Company's accumulated, realized profits less accumulated, realized loss.

Dividends are Cumulative

Dividends on the Preferred Shares will be cumulative. If for any reason the Company's Board does not declare a dividend on the Preferred Shares for a Dividend Period, the Company will not pay dividends for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Preferred Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Preferred Shares prior to such Dividend Period.

Holders of Preferred Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Preferred Shares.

The Company shall covenant that, in the event that (a) any dividends due with respect to any Preferred Shares then outstanding for any period are not declared and paid in full when due, (b) any dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "**Arrears of Dividends**"), or (c) there remains any other amounts payable under the Preferred Share terms and conditions are not paid in full when due for any reason:

a) It will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking junior or *pari passu* to Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking junior or *pari passu* to the Preferred Shares);

b) Subject to legal requirements, the Company will procure that no subsidiary over which the Company has a Controlling Participation (as defined below) will pay any discretionary dividends or other discretionary distributions on, or at the Company's discretion repurchase or redeem, any security ranking senior to the respective subsidiary's common shares other than those senior securities held by the Company or a wholly-owned subsidiary thereof (or contribute any moneys to a sinking fund for the purposes of any such redemption).

"**Controlling Participation**" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of the corporation, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect at least a majority of the board of directors or similar body governing the affairs of the corporation.

Purchase of the Offer Shares in the Open Market

The Company reserves the right to purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Preferred Shares upon listing on the PSE. The Preferred Shares so purchased may either be (a) redeemed (pursuant to their terms and conditions as set out in this Preliminary Prospectus) and cancelled or (b) kept as treasury shares, as applicable.

Optional Redemption of the Preferred Shares

The Company may redeem the Offer Shares in whole (and not in part) on the sixth (6th) month of the third (3rd) anniversary of the Issue Date or on any Dividend Payment Date thereafter (each an "**Optional Redemption Date**"), after giving each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption, which notice shall be irrevocable and binding upon the Company to effect such optional redemption. The Company shall redeem the Offer Shares at a redemption price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends (the "**Redemption Price**"). In the event that the Optional Redemption Date falls on a day that is not a Business Day, then the redemption shall be made on the immediately succeeding day that is a Business Day without adjustment as to the Redemption Price to be paid.

Redemption due to a Change of Control Event

If a Change of Control Event occurs, the Company may redeem the Offer Shares (in whole but not in part) provided that the Company shall have given each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption which must be a Business Day. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. Once the redemption option has been exercised, the Company shall redeem the Offer Shares and pay the Redemption Price no later than [five] Banking Days from the date of the intended date of redemption indicated in the notice.

“**Change of Control Event**” means an event whereby any person or group of related persons, other than the CPGI Principal Shareholders, becomes the Beneficial Owner(s), directly or indirectly, of a higher percentage of the total voting power of the outstanding voting stock of the Company than the aggregate percentage of the total voting power of the outstanding voting stock of the Company beneficially owned, directly or indirectly, by the CPGI Principal Shareholders.

“**CPGI Principal Shareholders**” means (i) Jose E.B. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Carlo R. Antonio, and Jose Roberto R. Antonio; and (ii) any Affiliate of the foregoing.

“**Affiliate**” means, with respect to any person, any other person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person; or (ii) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a person described in (i). For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract, or otherwise.

Redemption due to an Accounting Event

If an Accounting Event occurs, the Company may redeem the Offer Shares (in whole but not in part) provided that the Company shall have given each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption which must be a Business Day. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. Once the redemption option has been exercised, the Company shall redeem the Offer Shares and pay the Redemption Price no later than [five] Banking Days from the date of the intended date of redemption indicated in the notice.

An “**Accounting Event**” shall occur if, an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Company stating that the Offer Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited consolidated financial statements for the relevant financial year and such event cannot be avoided by the Company taking reasonable measures available to it.

Redemption due to a Tax Event

If a Tax Event occurs, the Company may redeem the Offer Shares (in whole but not in part) provided that the Company shall have given each of the [registrar and paying agent] prior written notice of not less than 30 days nor more than 60 days from the intended date of redemption which must be a Business Day. A notice of redemption given hereunder shall be irrevocable and binding upon the Company to effect such redemption. Once the redemption option has been exercised, the Company shall redeem the Offer Shares and pay the Redemption Price no later than [five] Banking Days from the date of the intended date of redemption indicated in the notice.

A “**Tax Event**” shall occur if payments on the Offer Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Company.

Payment on the Offer Shares

In case of payments in respect of the Preferred Shares, the same must be free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. The Company is liable to pay additional amounts if such taxes or duties are imposed. This will enable the holders of the Preferred Shares to receive full amount of the relevant payment which otherwise would have been due and payable. However, the Company shall not be liable for: (a) any withholding tax applicable on dividends earned by or on any amounts payable to the holders of the Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), DST or other applicable taxes on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the Preferred Shares; (d) any withholding tax, including any additional tax imposed by changes in law, rule, or regulation, on any dividend payable to any holder of the Share or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

In case of sums payable to tax-exempt entities by the Company, the same shall be paid in full without deductions for taxes, duties, assessments or governmental charges as long as said entities present sufficient proof of such tax- exempt status from the tax authorities. See “Plan of Distribution—Application to Purchase” of this Preliminary Prospectus for the list of documents required to be submitted as proof of tax-exempt status.

As to DST and all other costs and expenses for the issuance of the Preferred Shares and the documentation, if any, the same shall be for the account of the Company.

Preferred Shares’ Liquidation Rights

The direct and unsecured subordinated obligations of the Company is founded upon the Preferred Shares ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other Preferred Shares issued by the Company.

The obligations of the Company in respect of the Preferred Shares in the event of a return of capital in respect of the Company’s winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, will be, subject to and to the extent permitted by applicable law, rank: (a) junior to all unsubordinated obligations of the Company and any obligation assumed by the Company under any guarantee of, or any indemnity in respect of, any obligation or commitment which rank or are expressed to rank senior to the Preferred Shares; and (b) *pari passu* with each other.

Receipt, in Pesos out of the Company’s assets available for distribution to shareholders, together with the holders of any other of the Company’s shares ranking, as regards repayment of capital, *pari passu* with the Preferred Shares and before any distribution of assets is made to holders of any class of the Company’s shares ranking after the Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the

Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be, shall be granted to the holders of the Preferred Shares at the time outstanding.

The holders of the Preferred Shares and of such other shares will share ratably in any such distribution of the Company's assets in proportion to the full respective preferential amounts to which they are entitled if, upon any return of capital in the Company's winding up, the amount payable with respect to the Preferred Shares and any other of the Company's shares ranking as to any such distribution pari passu with the Preferred Shares is not paid in full. The holders of the Preferred Shares shall have no right nor claim to any of the Company's remaining assets and will not be entitled to any further participation or return of capital in a winding-up after payment of the full amount of the liquidating distribution to which they are entitled.

Denial of Pre-emptive Rights

Pre-emptive rights are not extended to holders of Preferred Shares over all share issuances of the Company including, without limitation, treasury shares.

No Sinking Fund

The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.

Transfer of Shares and Share Register

In case of issuance of Preferred Shares, the same shall be made in scripless form through the electronic book-entry system maintained by the Registrar and lodged with PDTC as Depository Agent on Issue Date through Selling Agents nominated by the applicants.

In the Application to Purchase, applicants shall indicate in the proper space provided for the name of the Selling Agents under whose name their Preferred Shares will be registered and the relevant Selling Agents shall sign the Application to Purchase on the space provided therefor.

The Registry of Shareholders will show the legal title to the Preferred Shares and will be maintained by the Registrar. A transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder) shall be sent by the Registrar. At least once every quarter, the Registrar shall send a Statement of Account to all Shareholders named in the Registry of Shareholders, confirming the number of Preferred Shares held by each Shareholder of record in the Registry of Shareholders. This Statement of Account will serve as evidence of ownership of the relevant Shareholder as of a given date thereof. The requesting Shareholder shall be answerable for any request for certifications, reports or other documents from the Registrar, except as provided herein.

The normal Philippine selling restrictions for listed securities shall apply to initial placement of the Preferred Shares and subsequent transfers of interests in the Preferred Shares.

Shareholders may, after Issue Date, request the Registrar, through their nominated Selling Agent, to (a) open a scripless registry account and have their holdings of the Preferred Shares registered under their name ("name-on-registry account"), or (b) issue stock certificates evidencing their investment in the Preferred Shares. The requesting Shareholder shall be answerable for any expense that will be incurred in relation to such registration or issuance.

Even if Philippine law does not require transfers of the Preferred Shares to be effected on the PSE, any off-exchange transfers will subject the transferor to a capital gains tax or, to the extent applicable, donor's tax and DST, which taxes may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. See "Taxation". A licensed stock broker in the Philippines is necessary to effect all transfers of shares on the PSE.

Non-convertible

The Preferred Shares shall not be convertible to any other preferred shares or common shares of the Company.

CAPITALIZATION

As of the date of this Preliminary Prospectus, the Company has an authorized capital stock of ₱ 9,540,000,000 consisting of 15,000,000,000 Common Shares with a par value of ₱0.53 per Common Share and 3,000,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, preferred shares with a par value of ₱0.53 per preferred share. The subscribed capital stock of the Company is ₱6,147,788,365.70 consisting of 11,599,600,690 Common Shares.

The following table sets out the Company's consolidated debt, shareholders' equity and capitalization as of June 30, 2019, and as adjusted to reflect the issue of the Offer Shares. The table should be read in conjunction with the Company's consolidated financial statements, included in the Preliminary Prospectus. There has been no material change in the figures as shown in the following table and the notes thereto since the date thereof except for the issue of the Offer Shares.

	Actual as of June 30, 2019	**After Giving Effect to the Base Offer**
	(₱)	**(₱)**
	(Unaudited)	
Total debt(1)	**22,093,814,544**	**22,093,814,544**
Equity:		
Capital stock:		
Common	6,200,853,553	6,200,853,553
Preferred	-	15,900,000
Additional paid-in capital	2,639,742,141	5,623,842,141
Treasury shares – 100,123,000 shares		
Equity reserve	-109,674,749	-109,674,749
Other comprehensive loss	99,393,242	99,393,242
Retained earnings	-66,042,430	-66,042,430
Total Equity Attributable to Equity Holders of the Parent Company	**8,172,678,324**	**8,172,678,324**
Non-controlling interest	16,936,950,081	19,936,950,081
Total Equity	**1,607,621,819**	**1,607,621,819**
Total capitalization	**18,544,571,900**	**21,544,571,900**

Note:

(1) Total debt comprises "Current portion of loans payable", "Loans payable – net of current portion" and "Bonds payable"

RISK FACTORS

An investment in the Preferred Shares, as described in this Preliminary Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward price movements and may lose part, or all, of its value over time. There is an inherent risk that losses may be incurred rather than profit, as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of any security. The market price of the Preferred Shares could decline due to any one of, but not limited to, the risks described herein, and all or part of an investment in Preferred Shares could be lost.

Prior to making any investment decision, prospective investors should carefully consider all of the information in this Preliminary Prospectus, including the risk factors described below.

This section entitled "Risk Factors" does not purport to be a comprehensive disclosure of all of the risks and other significant aspects of investing in these securities, but is intended to give a general idea to a prospective investor of the scope of risks involved in investing in the Preferred Shares. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and on the Preferred Shares in the future. Prospective investors may request publicly available information on the Preferred Shares in the future from the Philippine Securities and Exchange Commission ("SEC"). Prospective investors should undertake their own independent research and study on the merits of investing, and subsequently, trading these securities. Prospective investors should seek professional advice if he or she is uncertain of, or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the Preferred Shares. Each potential investor should consult its own counsel, accountant other than advisors as to legal, tax, business, financial and related aspects of an investment in the Preferred Shares. CPGI and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner do not make any warranty or representation on the marketability of an investment in the Preferred Shares and the sustainability of the price of the Preferred Shares. The risk factors discussed in this section are separated into categories for ease of reference and are enumerated in order of importance.

To mitigate the risks identified below, the Company shall continue to adopt what it considers conservative, financial and operational controls and policies within the context of the prevailing business, economic, and political environments taking into consideration the interests of its customers, stockholders and creditors.

A. RISK FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

The Company derives a significant portion of its revenue from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which exposes the Company to risks relating to the performance of the economies where they are located.

The Company generates a significant portion of its revenues, particularly sales of its affordable and middle-income projects, from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers. A number of factors could reduce the number of OFWs, remittances from OFWs or the purchasing power of expatriate Filipinos, Balikbayans and other overseas buyers. These include:

- a downturn in the economic performance of the countries and regions where a significant number of these potential customers are located, such as the United States, France, Italy, the United Kingdom, Hong Kong, Japan, Korea, Taiwan, Singapore, the United Arab Emirates, Qatar and Bahrain, among others;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of Government restrictions on the deployment of OFWs to particular countries or regions, such as the Middle East; and
- restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company’s projects from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which could materially and adversely affect its business, financial condition or results of operations.

Despite the concerns about the sustainability of the overseas market, OFW remittances continued to increase from US$20.1 million in 2011 to US$21.4 million in 2012, and US$ 22.8 million in 2013. Furthermore, the Company has clients located in 50 different countries, hence it is not exposed to any single jurisdiction. As of December 2018, 14%, 18%, 6%, 3%, 11% of its sales are from Asia, Middle East, North America, Australia/Oceania, United Kingdom, and others, respectively.

Furthermore, the Company is expanding its product portfolio to cater to a wider customer base, specifically to include horizontal affordable housing.

All of the Company’s properties are in the Philippines and, as a result, it is exposed to risks associated with the Philippines, including the performance of the Philippine economy.

All of the Company’s properties are in the Philippines and accordingly, the Company is significantly influenced by the general state of the Philippine economy.

In the past, the Philippines experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls. For companies in the real estate sector, demand for, and prevailing prices of, commercial and residential properties are affected by the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines and the amount of remittances received from OFWs.

Demand for commercial and residential developments is also affected by social trends and changing spending patterns in the Philippines, which in turn are influenced by economic, political and security conditions in the Philippines.

Moreover, extensive construction of condominium and housing units and other factors could lead to the risk of formation of asset bubbles in real estate. The Philippine residential housing industry is cyclical and sensitive to changes in general economic conditions in the Philippines such as levels of employment, consumer confidence and income, availability of financing for property acquisitions, construction and mortgages, interest rate levels, inflation and demand for housing.

When the Philippines underwent financial and political crises in the past, demand for real estate dropped and consequently led to an oversupply in the market and reduced demand for new residential projects. The global financial crises, which resulted in a general slowdown of the global economy, likewise, led to a decline in property sales in the Philippines.

If changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the sale of properties, significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced and therefore could materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate this risk, the Company continues to adopt prudent financial and operational controls and policies within the context of the prevailing business, economic and political environments.

The Company is exposed to geographic portfolio concentration risks.

Properties located in Metro Manila, the commercial capital of the Philippines, account for a substantial portion of the Company's real estate assets. Further, its current projects are primarily located within Metro Manila and, in particular, within relatively short distances from the traditional main business districts of Makati City, Ortigas Center and Bonifacio Global City. Due to the concentration of its property portfolio in Metro Manila, a decrease in property values in Metro Manila would have a material adverse effect on its business, financial condition and results of operations. As of the date of this Preliminary Prospectus, the Company has contracted land further outside Metro Manila including Cavite, Pampanga, Batangas and Palawan. This allows the Company to mitigate geographic concentration risk.

Its portfolio of residential real estate property development projects exposes the Company to sector-specific risks.

The Company's business is concentrated in the Philippine residential market. Therefore, reduced levels of economic growth, adverse changes in the country's political or security situation or weak performance of the country's property development market generally could materially and adversely affect its profitability. The Company's results of operations are dependent on the continued success of its development projects. Additionally, the Philippine real estate industry is highly competitive. The Company's projects are largely dependent on the popularity of its development when compared to similar types of developments in similar geographic areas, as well as on its ability to gauge correctly the market for its developments. Important factors that could affect the Company's ability to effectively compete include a development's relative location versus that of its competitors, particularly with regard to proximity to transportation facilities and commercial centers, as well as the quality of the developments and related facilities that it offers, pricing and the overall attractiveness of the development. The Company's inability to develop attractive projects could materially and adversely affect its business, financial conditions and results of operations.

To mitigate this risk, the Company is venturing into commercial leasing developments to reduce its dependence on the residential market. By venturing into commercial leasing, the Company hopes to be less exposed to the business cycles inherent in residential developments.

Since the Company operates in a competitive industry, it might not be able to maintain or increase its market share, profitability and ability to acquire land for new projects.

The Company operates in a competitive business environment. The entry of new competitors could also reduce the Company's sales and profit margins. The Company faces significant competition in connection with the acquisition of land for its real estate projects. Its growth depends significantly on its ability to acquire or enter into agreements to develop additional land suitable for its real estate projects. The Company may experience difficulty acquiring land of suitable size in locations and at acceptable prices, particularly land located in and near

Metro Manila and in other urban areas in the Philippines. If it is unable to acquire suitable land at acceptable prices or to enter into agreements with joint venture partners to develop suitable land with acceptable returns, its growth prospects could be limited and its business, financial condition and results of operations could be adversely affected.

The Company believes it has strategically positioned itself at the upper end of each of the three residential segments it caters to, namely, affordable, middle income, and luxury markets. Furthermore, the Company strives to maintain the design and quality of its developments and is focused on being customer-centric.

The interests of joint venture partners and landowners for development projects may differ from the interests of the Company, and such joint venture partners and landowner may take actions that can adversely affect the Company.

The Company entered into joint venture agreements and Contracts to Sell with various parties as part of its overall land acquisition strategy, property development and property management, and intends to continue to do so. Under the terms of the joint venture agreements, the Company is responsible for project development, project sales and project management, while its joint venture partners typically supply the project land. Under the terms of the Contracts to Sell, the Company shall pay the purchase value of the land on staggered basis, and in certain transactions, pay in addition proportionate payments dependent on generated sales.

A joint venture or acquisition of land via Contracts to Sell involve additional risks where the joint venture partners or landowners may have economic or business interests or goals that differ from the Company's. For example, the joint venture partners or landowners may withhold certain key information relating to the land that the Company may not be able to discover after conducting due diligence and such information could affect its right to possess and develop such land. Titles over the land, although already in the name of the joint venture partners or landowners, may still be contested by third parties. The joint venture partners or landowners may also take actions contrary to the Company's instructions or requests, or in direct opposition to its policies or objectives with respect to its investments or with respect to the project land, or dispute the distribution of joint venture shares or installment payments. The joint venture partner may also not meet its obligations under the joint venture agreement. Disputes between the Company and its joint venture partners or the landowner could arise after significant capital investments in a project have been made, which could result in the loss of some or all of the Company's investments in the project. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company conducts due diligence and performs contract management on its joint venture partners to reduce this risk.

The Company uses celebrities and international brands to design, market and sell some of its properties.

The Company depends on its relationships with celebrities and international brands to design, market and sell some of its properties. It frequently enters into design or licensing agreements with celebrities and well-known brands in which the celebrities provide branding, promotional and design expertise and the Company agrees to pay design and licensing fees, and sometimes enters into revenue sharing plans. Circumstances beyond the Company's control could decrease the popularity of the celebrities and brands with whom it partners, which could, in turn, adversely affect the Company's marketing and sales efforts and its reputation.

The Company is not exposed to a single brand to design, market, and sell its projects. Furthermore, the Company conducts due diligence and performs contract management on its partner brands to reduce this risk.

Recently, the Company is building the “Century” brand name into its various developments, including Asian Century Center, Century Diamond Tower and Century Spire.

The Company may not be able to successfully manage its growth.

The Company intends to continue to pursue an aggressive growth strategy by increasing the amount of properties it develops and manages and by expanding into new market segments. However, the Company might experience capital constraints, construction delays, operational difficulties at new locations or difficulties operating existing businesses and training personnel to manage and operate its business. Any inability to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated or at all. These problems could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company studies and analyzes its total capital and human resource requirements and attempts, to the best of its abilities, to allocate resources most prudently in order to complete its projects on time.

The Company is involved in a cyclical industry and is affected by changes in general and local economic conditions.

The real estate development industry is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing for property acquisitions, construction and mortgages, interest rates, consumer confidence and income, demand and supply of residential or commercial developments. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and the demand for properties, the rate of economic growth and political and social developments in the Philippines.

Furthermore, the real estate industry may experience rapid and unsustainable rises in valuations of real property followed by abrupt declines in property values, as was experienced in the United States housing bubble from 1997 to 2006. Such real estate bubbles may occur periodically, either locally, regionally or globally, which may result in a material adverse effect on the business, financial condition and results of operations of the Company.

To mitigate this risk, the Company is diversifying its revenue sources by expanding its leasing portfolio and entering into the affordable housing segment in addition to its current vertical housing developments and property management business.

The Company might not be able to generate sufficient funds internally or through external financing to operate and grow its business as planned.

The real estate business is capital intensive and requires significant capital expenditures to develop and implement new projects and complete existing projects.

Historically, while the Company has funded a significant portion of its capital expenditure requirements internally from the pre-sales of its development projects, it has periodically utilized external sources of financing. However, it might not be able to continue funding its capital expenditure requirements internally or obtain sufficient funds externally on acceptable terms or at all. Its ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws. Its access to debt financing is subject to many factors, many of which are outside the Company's control. For example, political instability, an economic downturn, social unrest or changes in the Philippine regulatory environment could increase the Company's costs of borrowing or restrict its ability to obtain debt financing. In addition, the disruptions in the capital and credit markets may continue indefinitely, which could adversely affect its access to financing. Inability to obtain financing on acceptable terms would adversely affect the Company's ability to operate and execute its growth strategies.

The Company is endeavoring to broaden its sources of capital. While historically it has relied predominantly on pre-sales, receivables financing, and bi-lateral loans, it has been able to diversify its sources of financing through the equity capital and syndicated loan markets.

The cancellation of sales of housing or condominium units could adversely affect business, financial condition and results of operations.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected if a material number of housing or condominium unit sales are cancelled. Under R.A. 6552 or the Maceda Law, which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. During the grace period, the buyer may pay the unpaid installments due, without additional interest. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who have defaulted on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without any right of refund.

The Company could experience a material number of cancellations, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. If the Company experiences a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers, in which case it may have to incur indebtedness to pay such cash refunds, but it might not be able to obtain debt financing on reasonable terms or at all. In addition, particularly during an economic slowdown or downturn, it might not be able to able to resell the same property at an acceptable price or at all. Any of these events could have a material adverse effect on its business, financial condition and results of operations.

If the Company experiences a material number of sales cancellations, investors are cautioned that its historical revenue from its real estate sales would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical statements of income as indicators of future revenues or profits.

The Company attempts to mitigate this risk by collecting more equity from the buyer, subject to market demands and competitive factors. A material amount of its pre-sales are sold on the basis of collecting 10% to 30% from each buyer before project completion, with some projects charging as high as 50% buyer equity. The higher equity the Company collects from the buyer, the less chances a buyer defaults since such buyer has committed more capital to the unit purchase.

The Company is controlled by CPI, which is in turn, controlled by the Antonio family. Hence, the interests of the Antonio family may differ significantly from the interests of the other shareholders.

Members of the Antonio family indirectly own a majority of the Company's issued and outstanding shares. Accordingly, the Antonio family will be able to elect a majority of the Board and determine the outcome of many significant matters voted on by shareholders. Members of the Antonio family also serve as directors and executive officers. The Antonio family could also take advantage of business opportunities that may otherwise be attractive to the Company. The interests of the Antonio family may differ significantly from or compete with the interests of the Company and the other shareholders, and the Antonio family may vote their shares in a manner that is contrary to the interests of the Company or the interests of the other shareholders.

The Company is continuously increasing its professional management team. See "Directors, Executive Officers, and Control Persons" on page [•]. The Company has already hired professionals responsible for key parts of the business, including the heads of leasing, affordable housing, leisure and tourism, finance and investor relations.

The Company is highly dependent on certain directors and members of senior management.

The Company's directors and members of senior management have been an integral part of its success and the experience, knowledge, business relationships and expertise that would be lost if any such persons depart or take on reduced responsibilities could be difficult to replace and may adversely affect its operating efficiency and financial performance. In particular, members of the Antonio family fill certain key executive positions and the Company may not be successful in attracting and retaining executive talent to replace these family members if they depart or take on reduced responsibilities. Such executives include: Jose E.B. Antonio, Executive Chairman; Jose Marco R. Antonio, President and Chief Executive Officer; John Victor R. Antonio, Managing Director; Jose Roberto R. Antonio, Managing Director; Jose Carlo R. Antonio, Managing Director; Hilda R. Antonio, Director of the Company; Rafael G. Yaptinchay, Managing Director; and Ricardo P. Cuerva, Director of the Company and President of Century Project Management and Construction Corporation ("CPMCC"), the company exclusively charged with managing the construction projects for the Company's vertical developments. The Company does not carry insurance for the loss of the services of any of the members of its management. If the Company loses the services of any such person and are unable to fill any vacant key executive or management positions with qualified candidates, it could have a material adverse effect on its business, financial condition and results of operations.

To mitigate this risk, the Company has a succession plan in place.

The Company may be unable to attract and retain skilled professionals, such as architects and engineers.

The Company believes that there is significant demand for its skilled professionals from its competitors. Its ability to retain and attract highly skilled personnel, particularly architects, engineers and sales and marketing professionals, affects its ability to plan, design, execute, market and sell projects. In particular, any inability on the Company's part to hire and retain qualified personnel could impair its ability to undertake project design, planning, execution and sales and marketing activities in-house and could require it to incur additional costs by having to engage third parties to perform these activities.

The Company benchmarks industry best practices in human resource management.

The Company may not be able to hire independent contractors that meet its requirements.

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, construction works and building and property fitting-out works. It selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractor's experience and track record, its financial and construction resources, any previous relationships with the Company and its reputation for quality. However, the Company might not be able to find a suitable independent contractor who is willing to undertake a particular project within its budget and schedule. This may result in increased costs for the Company or delays in the project. Also, the services independent contractors render might not be satisfactory or match the Company's requirements for quality. Contractors may also experience financial or other difficulties, such as shortages in, or increases in the price of, construction materials, which in turn could delay the completion of the project or increase the costs for the Company. Any of these factors could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company prudently selects its network of accredited contractors, and monitors the development of each project from project inception up to project turnover.

Construction defects and building-related claims may be asserted against the Company, and it may be involved in litigation, which could result in financial losses or harm to its business.

Under Philippine law, the engineer or architect responsible for the plans and specifications for a building is liable for damages if, within 15 years from the completion of the structure, it collapses by reason of a defect in those plans and specifications or due to the defects in the ground. The action must commence within 10 years following the collapse of the building. Thus, if the architect or engineer is one of the Company's employees, it may be held liable for damages if any of its buildings collapse. It may also be held responsible for hidden (that is, latent or non-observable) defects in the housing and condominium units it sells if such hidden defects render a unit unfit for the use for which it was intended or if its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, the National Building Code of the Philippines (the "Building Code"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that the Company must comply with. The Company may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code. Likewise, it could be held liable for the damages mentioned above, the cost of repairs and the expense of litigation surrounding such claims. Claims could also arise out of uninsurable events or circumstances not covered by the Company's insurance. Significant claims arising from structural or construction defects could have a material adverse effect on the Company's reputation and business, financial condition and results of operations. It may also be implicated in lawsuits on an ongoing basis. Litigation could result in substantial costs to, and a diversion of effort by, the Company and subject it to significant liabilities, including potential defaults under its present debt covenants. Legal proceedings could materially harm its business and reputation, and it may be unable to recover any losses incurred from third parties, regardless of whether or not the Company is at fault. Losses relating to litigation could have a material adverse effect on the Company's business, financial condition and results of operation, and provisions made for litigation related losses might not be sufficient to cover losses.

The Company prudently selects its network of accredited contractors, and monitors the development of each project from project inception up to project turnover. The Company also protects majority of its construction interests with an all-risk insurance policy for construction.

Third parties may contest the Company's titles to its properties.

While the Philippines has adopted the Torrens System, a system of land registration which is intended to conclusively confirm land ownership by providing a state guarantee of indefeasible title to those in the register, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered in favor of another. In particular, Quezon City, Metro Manila and the province of Cavite, have been known to experience problems with syndicates of squatters (informal settlers) and forged or false title holders. There have been cases where third parties have produced false or forged title certificates over land and there are difficulties in obtaining title guarantees with respect to property in the Philippines. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities in title, such as non-execution or non-registration of conveyance deeds, and may be subject to liens, encumbrances or claims of which the Company may be unaware. The difficulty of obtaining title guarantees in the Philippines means that title records provide only for presumptive rather than guaranteed title. As each transfer in a chain of title may be subject to a variety of defects, the Company's title and development rights over land may be subject to various defects of which it is unaware. For these and other reasons, title insurance is not readily available in the Philippines. Title defects may result in the loss of the Company's title over land. From time to time, the Company may be required to defend itself against third parties who claim to be the rightful owners of land that it acquires. If third-party claims for title are brought against the Company, or if any such claim involves land that is material to its projects, it may have to devote significant time and incur significant costs in defending itself against such claims. Such claims could also affect its ability to develop land for particular projects by causing the relevant governmental authority to delay or prevent continued business operations on the property or withhold required permits or clearances until such claim is definitively resolved. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material for its projects. In addition, title claims made by third-parties against the Company or its joint venture partners may have an adverse effect on its reputation. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on the Company's reputation. Any successful claim against the Company or its joint venture partners may affect its ability to deliver its developments on time and free and clear of any liens or encumbrances.

The Company mitigates this risk, to the extent it can, by having joint venture partners indemnify the Company in the event third parties are successful in their claim. To the extent the title belongs to the Company and not its joint venture partners, it conducts very thorough due diligence on titles. Notwithstanding due diligence, to the extent there are still third party claims, the Company assesses the risks and possible solutions to eventually have titles without adverse claims.

The Company faces risks relating to its property development, including risks relating to project costs, completion time frame and development rights.

The property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that it may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. In addition, obtaining required Government approvals and permits may take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget. In addition, the time and costs involved in completing the development and construction of real estate projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, depreciation of the peso, natural disasters, disputes with contractors and subcontractors, accidents, changes in laws, land zoning, use and classification, or In Government priorities and other unforeseen problems or circumstances, and each of these could have an adverse effect on the Company's revenues.

Where land to be used for a project is occupied by tenants or squatters, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect margins and delay when it recognizes revenue. Further, failure to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. In addition, orders of the Department of Agrarian Reform ("DAR") allowing conversion of agricultural land for development may require a project to begin by a prescribed deadline. These events could materially and adversely affect the Company's business, financial condition or results of operations.

The Company prudently monitors the development of each stage of each project, from project inception up to project turnover, to quickly address possible cost and completion risks.

The Company's reputation may be adversely affected if it does not complete projects on time or to customers' requirements.

If the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or other problems, this could have a negative effect on its reputation and make it more difficult to attract new customers to new and existing development projects. Any negative effect on its reputation could also adversely affect its ability to pre-sell its development projects. This in turn could adversely impact its capital investment requirements. Any of these events could adversely affect the Company's business, results of operations or financial condition.

The Company prudently monitors the development of each stage of each project, from project inception up to project turnover, to quickly address possible cost and completion risks.

The Company operates in a highly regulated environment and must obtain and maintain various permits, licenses and other government approvals.

The Philippines operates in a highly-regulated environment and the development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the DAR so that the land can be reclassified as nonagricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the developer's expense.

Presidential Decree No. 957, as amended, ("P.D. 957"), Republic Act No. 4726 ("R.A. 4726") and Batas Pambansa Blg. 220 ("B.P. 220") are the principal statutes which regulate the development and sales of real property as part of a condominium project or subdivision. P.D. 957, R.A. 4726 and B.P. 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Housing and Land Use Regulatory Board ("HLURB") is the administrative agency of the Government which enforces these statutes. Regulations applicable to its operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities
- open spaces;
- water supply
- sewage disposal systems;

- electricity supply;
- lot sizes;
- the length of the housing blocks;
- house construction;
- sale of subdivision lots or condominium units; and
- time of completion of construction projects.

All subdivision and condominium development plans are required to be filed with and approved by the local government unit ("LGU") with jurisdiction over the area where the project is located and by the HLURB. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of (1) the relevant LGU; (2) the HLURB; (3) for subdivisions, the duly organized homeowners' association, or if none, the majority of the lot buyers; and (4) for condominiums, a majority of the registered owners. In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. The HLURB can suspend, cancel or revoke project permits and licenses to sell based on its own findings or upon complaint from an interested party. The Company is in the process of obtaining licenses to sell and building permits for some of its current projects. It may not be able to obtain these licenses and permits within the time period expected or at all.

Any of the foregoing circumstances or events could impair the Company's ability to complete projects on time, within budget or at all, or sell units in its projects, which in turn could materially and adversely affect its business, financial condition and results of operations.

The Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with applicable laws, rules and regulations.

Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). For environmentally-critical projects or for projects located in environmentally-critical areas as identified by the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. Current or future environmental laws and regulations applicable to the Company could increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a first violation of an ECC occurs or if environmental hazards on land where its projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties, however, on subsequent violations, an ECC may be revoked and operations may be stopped. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. See "Regulatory and Environmental Matters" on page [•]. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the business could materially and adversely affect the Company's business, financial condition or results of operations.

The Company's legal department closely monitors the status of the required permits and licenses of the Company to ensure compliance with environmental regulations.

Natural or other catastrophes, including severe weather conditions, may materially disrupt operations, affect the ability to complete projects and result in losses not covered by insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions and earthquakes. Natural catastrophes may disrupt business operations and impair the economic conditions in the affected areas, as well as the overall Philippine economy. These factors could have significant adverse effects on the Company's development projects, which may be susceptible to damage. Damages resulting from natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example, for physical injury or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect its business, financial condition and results of operations.

Furthermore, the Company cannot obtain insurance at a reasonable cost or at all for certain types of losses from natural and other catastrophes. Neither does it carry any business interruption insurance. If an uninsured loss or a loss in excess of insured limits occurs, it could lose all or a portion of the capital invested in a property, as well as the anticipated revenue from such property, and incurs liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

The Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

The Company uses third-party non-exclusive brokers to market and sell some of its projects.

Although exclusive sales agents are responsible for a significant portion of the Company's sales, it also uses third-party non-exclusive brokers to market and sell some of its residential housing developments to potential customers inside and outside the Philippines. These brokers may also act as brokers for other developers in the same markets in which the Company operates, and they may favor the interests of their other clients over the Company's interests in sale opportunities, or otherwise fail to act in the Company's best interests. There is competition for the services of third-party brokers in the Philippines, and many of the Company's competitors either use the same brokers as it does or attempt to recruit brokers away from it. If a large number of these third-party brokers were to terminate or breach their brokerage agreements, the Company would need to seek other third-party brokers and it may not be able to do so quickly or in sufficient numbers. This could disrupt its business and negatively affect the Company's business, financial condition or results of operation.

Notwithstanding the presence of non-exclusive brokers, materially all sales of the Company are coursed and booked through the Company's in-house sales team, who are Company employees thus having more control of its distribution network.

The Company is exposed to risks relating to the ownership and operation of commercial real estate.

The Company is subject to risks relating to ownership and management of commercial real estate. Specifically, the performance of its subsidiary CPMI could be affected by a number of factors, including:

- the national and international economic climate;
- trends in the commercial property industry;
- changes in laws and governmental regulations in relation to real estate;
- Increased operating costs;
- the inability to collect rent due to bankruptcy of tenants or otherwise;
- competition for tenants;
- changes in market rental rates;
- the need to periodically renovate, repair and re-let space and the costs thereof;
- the quality and strategy of management; and
- the Company's ability to provide adequate maintenance and insurance

The Company could be further affected by tenants failing to comply with the terms of their leases or commitments to lease, declining sales turnover of tenants, oversupply of or reduced demand for commercial space or changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes, and government charges. If the Company is unable to lease the properties that it owns or manages in a timely manner, or collect rent at profitable rates or at all, this could have a material adverse effect on its business, financial condition and results of operations.

CPMI conducts stringent screening procedures on potential tenants.

The change of policy regarding transactions subject to Value-added tax ("VAT") could adversely affect the sales of the Company.

Currently, sales of residential lots with a gross selling price of ₱1,919,500 or less and sales of residential houses and lots with a gross selling price of ₱3,199,200 or less are currently not subject to VAT of 12%. However, beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale of real property utilized for socialized housing and sale of house and lot and other residential dwellings with threshold reduced to ₱2,000,000. Hence, the purchase prices for the Company's residential lots and housing units will increase, which could adversely affect its sales. Because VAT affects general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could have an adverse effect on the Company's results of operations.

The majority of the Company's existing projects are already over ₱2,000,000, hence most of its current projects are already subject to VAT.

Increases in interest rates and changes in Government borrowing patterns and Government policies could adversely affect the Company's and its customers' ability to obtain financing.

Increases in interest rates, and factors that otherwise impair the availability of credit, such as the Government's fiscal policy, could have a material adverse effect on the Company's business and demand for its property developments. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance current projects or to obtain financing for new projects.
- Access to capital and the cost of financing are also affected by restrictions, such as the single borrower limit imposed by the BSP on bank lending. The total amount of loans, credit accommodations and guarantees that may be extended by a bank to any person, partnership, association, corporation or other entity shall at no time exceed

25% of the net worth of such bank. This may be increased by an additional 10% of the net worth of the bank provided that the additional liabilities are secured by trust receipts, shipping documents, warehouse receipts or other similar documents transferring or securing title covering readily marketable, non-perishable goods which must be fully covered by insurance. If the Company reaches the single borrower limit with respect to any bank, it may have difficulty obtaining financing with reasonable interest rates from other banks.

- Because a substantial portion of customers procure financing to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential developments.
- Increases in Government borrowing in the domestic currency market could increase the interest rates banks and other financial institutions charge and reduce the amount of financing available to the Company and prospective property purchasers of its property.
- Increased inflation in the Philippines could result in an increase in the costs of raw materials, which the Company may not be able to pass on to customers through increased prices.
- Increases in the Government's budget deficit could increase interest rates and inflation, which could in turn have a material adverse effect on its customers' ability to obtain financing on attractive terms.
- The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company enters into long term financing to reduce its reliance on shorter term financing. This will allow the Company to further reduce the potential variability in interest rates. The Company also continuously seeks the accreditation of its projects with various financial institutions to provide its customers with financing options.

Any restriction or prohibition on the Company's Subsidiaries' ability to distribute dividends would have a negative effect on its financial condition and results of operations.

As a holding company, the Company conducts its operations through its Subsidiaries. As a result, it derives substantially all of its revenues from dividends from its Subsidiaries. It relies on these funds for compliance with its own obligations and for financing its Subsidiaries. Further, the ability of its Subsidiaries to upstream dividends is subject to applicable laws and may be subject to restrictions contained in loan agreements and other debt instruments they are party to.

Any restriction or prohibition on the ability of any of the Subsidiaries to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating difficulties or other limitations, could have a negative effect on its cash flow or therefore may adversely impact its financial condition and results of operations.

Historically, the Company's Subsidiaries have regularly been distributing dividends out of its unrestricted retained earnings and as excess cash becomes available.

Adoption of New Accounting Standards might have an impact on the financial statements

Adoption of Accounting Standards on Leases

PFRS 16 supersedes PAS 17, Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group has lease contracts for office spaces as a lessee. Before the adoption of PFRS 16, the Group classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in the condensed consolidated statements of comprehensive income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under other current assets and accounts and other payables, respectively.

Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group adopted PFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, PFRS 16 is applied retrospectively with the cumulative effect of initially applying PFRS 16 recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying PAS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

The adoption of PFRS 16 resulted in recognition of right-of-use assets and lease liability both amounting to ₱29 million as at January 1, 2019.

Adoption of Accounting on Uncertainty

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation
- authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax
- credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group made a reassessment of all of its tax treatments and has determined that there are no uncertainties involved in the computation of its current and deferred taxes.

Adoption of Borrowing Costs, Borrowing Costs Eligible for Capitalization

Real estate entities classify its sold real estate properties (i.e. installment contracts receivable and contract assets) and unsold real estate properties (i.e. real estate inventories) which are not yet substantially completed as qualifying assets. Accordingly borrowing cost is capitalized until such qualifying assets are substantially completed.

The amendments clarify that a real estate entity's sold and unsold real estate properties that are not yet substantially completed do not meet the criteria for a qualifying asset under PAS 23 because such assets are already available for its intended sale.

The Group performed its initial impact assessment and assessed that it will impact the classification and measurement of its borrowing costs.

The Company is subject to certain debt covenants.

The Company has certain loan agreements, which contain covenants that limit its ability to, among other things:

- Incur additional long-term debt to the extent that such additional indebtedness results in a breach of the required debt-to-equity ratios;
- Materially change its nature of business;
- Encumber, mortgage or pledge some of its assets; and
- Pay out dividends in the event debt payments are in arrears and such debt payments will result in the breach of its required current and debt-to-equity ratios.
- Complying with these covenants may cause the Company to take actions that it otherwise would not take or not take actions that it otherwise would take. The Company's inability and/or failure to comply with these covenants would cause a default, which, if not waived could result in the debt becoming immediately due and payable. In the likelihood of this event, the Company may not be able to repay or refinance such debt on terms that are acceptable to it or at all.

The Company complies with its debt obligations by adopting the necessary internal controls in its financial management and adopting corporate governance policies in order to comply with its debt covenants.

The Company shall, at any given time, consider business combination alternatives.

Although some of the Company's debt covenants contain certain restrictions on business combinations, it may consider engaging in certain types of business combinations. Business combinations involve financial and operational risks and could result in critical changes to the Company's business, management and financial condition.

The Company takes into consideration its existing debt obligations and corresponding debt covenants before it pursues any major business investments or acquisitions. Further, prior to undertaking any business combination, the Company assesses and attempts to mitigate the business and financial risks, which may include the hiring of third party legal and financial consultants.

The Company is exposed to interest rate, liquidity, credit, currency and commodity risks.

The Company's principal financial instruments consist of cash on hand and in banks, cash equivalents, receivables from installment sales and due from and to affiliated companies and credit facilities from commercial banks. It uses these financial instruments to fund its business operations. The Company has entered into Master Agreements under the International Swaps and Derivatives Association Inc. with third parties.

The Company believes that the principal risks arising from its financial instruments are interest rate risk, liquidity risk, credit risk, commodity risk and currency risk.

Interest Rate

Fluctuations in interest rates could negatively affect the potential margins in respect of the Company sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms or at all. The Company does not engage in interest rate derivative or swap activities to hedge its exposure to increases in interest rates.

Fluctuations in interest rates also have an effect on demand for the Company's products. As most of its customers obtain some form of financing for their real estate purchases, increases in interest rate levels could adversely affect the affordability and desirability of the Company's subdivision lots and housing and condominium units.

Liquidity

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and financing obligations when they become due. The Company manages its liquidity profile by pre-selling housing projects. In addition, the Company's receivables backed credit facilities with banks and other financial institutions under the terms of which the Company, from time to time, assign installment contract receivables on a "with recourse" basis. The Company is typically required to replace receivables assigned on a "with recourse" basis if the property buyer fails to pay three consecutive installments or when the sale is otherwise cancelled. If the Company is unable to maintain its credit lines with banks and other financial institutions, it may not have sufficient funds to meet its operational requirements.

The Company is endeavoring to broaden its sources of capital. While historically it has relied predominantly on pre-sales, receivables financing, and bi-lateral loans, it has been able to diversify its sources of financing through the capital and syndicated loan markets.

Credit Risk

The Company is exposed to credit risk from defaults by purchasers on their mortgages during the pre-sale periods for its properties. In 2007, the Company began to guarantee the mortgages of purchasers of uncompleted projects. Accordingly, if a purchaser who has a mortgage on an uncompleted project defaults on the mortgage, and the Company is not able to find a replacement purchaser, or if the Company fails in an undertaking with the bank, including delivering the property and title to such property within the mutually agreed period, the Company is obligated to pay the mortgage.

The Company mitigates this risk by completing projects on time, and providing mortgage banks collateral documents promptly.

Commodity Risk

The Company is exposed to the risk that prices for construction materials used to build its properties (including timber, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company and its Subsidiaries are exposed to the risk that they may not be able to pass increased commodities costs to customers, which would lower their margins. The Company does not engage in commodity hedging, but the Company attempts to manage its commodity risk by requiring its internal procurement group to supply raw materials for the relevant construction and development projects.

Currency Risk

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. There are only minimal placements in foreign currencies and most of the Group's foreign currency-denominated debt are hedged. As such, the Group's foreign currency risk is minimal.

The Company may suffer losses that are not covered by its insurance.

The Company may be negatively affected due to the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events. Although the Company carries an all-risk insurance policy for all its current and ongoing projects against catastrophic events and business interruption insurance for Century City Mall, in amounts and with deductibles that the Company believes are in line with general real estate industry practice, not all risks can be insured against. There are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property as well as the anticipated future turnover from the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

The Company requires its contractors to maintain contractors' all-risk insurance for the duration of the development of its projects. The Company requires its contractors to provide a warranty on their respective works.

B. RISKS RELATING TO THE PHILIPPINES

Substantially all of the Company's business activities and assets are based in the Philippines, which exposes it to risks associated with the country, including the performance of the Philippine economy.

Historically, the Company has derived all of its revenues from the sale of real estate and the management of properties in the Philippines and, as such, its business is highly dependent on the state of the Philippine economy. Demand for residential real estate is directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- exchange rate fluctuations;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal policies;
- natural disasters such as tsunamis, typhoons, earthquakes, fires and floods;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and

- other regulatory, social, political or economic developments in or affecting the Philippines.

If the Philippine economy experiences weakness due to any of the foregoing or other reasons, it could materially and adversely affect business, financial condition or results of operations.

The Company has survived major economic and political crises brought about by domestic and international developments through the implementation of its core strategies. To mitigate the risks identified below, constant monitoring of the key economic and market indicators allows the Company to detect risk exposures and react to the external environment appropriately. Although there is no assurance that the Company will be able to fully overcome the adverse effects of any or all crisis, it has in place a system of financial prudence and corporate governance that provides the foundation for its risk management initiatives.

Any economic and political instability in the Philippines may adversely affect business, results of operations or financial condition.

After the election of President Rodrigo Duterte, the Philippines has initiated a series of economic reforms to accelerate development, decentralize governance and a tough but controversial struggle against corruption and drugs. The early economic signals are promising. In 2017, Finance Secretary Carlos Dominguez III announced that the government is set to sustain growth at close to 7% in 2017, despite “political noise”, by banking on higher infrastructure spending, tax and other reforms, improved peace and order.

The Philippine economy remains resilient as it registered GDP growth of 6.2% in 2018. For the first and second quarters of 2019, GDP growth registered at 5.6% and 5.5%, respectively. Such growth was largely due to the country’s consistently strong domestic demand, brought forth by an increasing middle class that is comprised not only of OFW families, but also by the workforce of a burgeoning IT, BPO and KPO sector.

Consumer price inflation went as high as 6.7% in 2018 which largely affected the GDP growth, but have eased considerably over the past months and is now well within the 2 to 4% target of the BSP. The BSP imposed a total of 175- basis point interest rate hikes in 2018 to temper the rising inflation.

The Philippine peso strengthened to 52 level on rising remittances, investment flows and a robust domestic economy. Our country’s economic managers are confident that the Philippines’ GDP growth will be sustained in 2019, targeting a growth of 6.5 % and maintaining the country’s stature as one of Asia’s fastest growing economies.

Growth drivers will of course include the business process outsourcing (IT-BPO) sector and tourism. The Asian Development Bank said a low unemployment rate, the sustained rise in remittances, and increased public investments in infrastructure will also contribute much to the Philippines’ growth.

Acts of terrorism and violent crimes could destabilize the Philippines and have a material adverse effect on business and financial results.

Terrorists are very likely to try to carry out attacks in the Philippines. Terrorist groups continue to plan attacks and have the capacity and the intent to carry out attacks at anytime and anywhere in the country, including in the capital Manila and in places visited by foreigners, such as airports, shopping malls, public transport, including the metro system and places of worship. Attacks have been carried out using improvised explosive devices and small arms.

Terrorist groups have threatened to attack passenger ferries and other vessels, particularly those operating from Mindanao.

The considerable heightened threat of terrorist attacks in the Philippines posts risk to our economy, may adversely affect business, its operations, financial conditions and results.

The credit ratings of the Philippines may adversely affect the Company's business.

Directly and adversely affecting companies resident in the Philippines is a credit rating used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Philippines thus having a big impact on the country's borrowing costs. This includes the government debt credit rating for Philippines as reported by major credit rating agencies. The ratings are based on a forward-looking macroeconomic model which takes into account several leading economic indicators and financial markets.

In April 2018, Standard & Poor upgraded Philippines credit outlook to positive, while affirming the country's current credit rating at 'BBB' for long-term and 'A-2' for short-term. A long-term credit rating of 'BBB' puts the Philippines at an adequate investment grade, although adverse economic conditions could weaken the country's ability to meet its financial obligations. On the other hand, the country's 'A-2' short-term rating means that the Philippines has a satisfactory chance of meeting its short-term financial obligations. S&P based its current report on the government's fiscal policies, including the Comprehensive Tax Reform Program ("CTRP"), which is intended to fund the administration's "Build, Build, Build" program. Change in ratings depends on the government's fiscal reform program over the course of the next twenty four (24) months, if the reform agenda has been achieved or stalls, if the recalibrated fiscal program leads to higher-than-expected net general government debt levels, or if deem that policymaking settings have otherwise regressed against expectations. On April 30, 2019, S&P raised the Philippines sovereign long-term credit rating to BBB+, which is its highest rating to date. According to S&P, the upgrade was made on the basis of the Philippines' consistent economic growth, solid fiscal accounts, and good position in the external environment. S&P stated that with the enactment of the first package of the CTRP under TRAIN Act, finances are expected to remain sustainable while the country addresses pressing infrastructure needs.

December 2014 Moody's credit rating for Philippines was last set at Baa2 with stable outlook while in December 2017 Fitch's credit rating for Philippines was last reported at BBB with stable outlook.

Any uncertainties, moreover downgrade, could have adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines is subject to frequent seismic activity. From year 2015 to 2018, there were nine (9) large known earthquakes in the Philippines, with magnitudes ranging from 5.5 to 7.1. Batangas experienced an earthquake swarm in April 2017, hitting the province thrice with a twin earthquake, followed by several aftershocks. The nine (9) large known earthquakes triggered landslide and tsunami warnings, left damages on buildings and houses, killed fourteen (14) people and three hundred twenty seven (327) injured. Recently, on April 22, 2019, a magnitude 6.1 earthquake struck parts of Luzon, including Metro Manila.

Approximately twenty (20) tropical cyclones enter the Philippine Area of Responsibility yearly, an area which incorporates parts of the Pacific Ocean, West Philippines Sea and the Philippine Archipelago (with the exception of Tawi-Tawi province). Among these cyclones, ten (10) will be typhoons, with five (5) having the potential to be destructive ones. The Philippines is "the most exposed country in the world to tropical storms" according to a Time Magazine.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's development projects, many of which are large infrastructure, such as buildings, which are susceptible to damage. Damage to structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations. Further, the Company does not carry any insurance for certain catastrophic events, and there are certain losses for which the Company cannot obtain insurance at a reasonable cost or at all. The Company also does not carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, operations, financial condition and results.

C. RISKS RELATING TO THE PREFERRED SHARES

The Preferred Shares may not be a suitable investment for all investors.

Each prospective investor in the Preferred Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- Have sufficient knowledge and experience to make a meaningful evaluation of the Preferred Shares, the merits and risks of investing in the Preferred Shares and the information contained in this Preliminary Prospectus;
- Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preferred Shares and the impact the Preferred Shares will have on its overall investment portfolio;
- Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Preferred Shares, including where the currency for principal or dividend payments is different from the prospective investor's currency;
- Understand thoroughly the terms of the Preferred Shares and be familiar with the behavior of any relevant financial markets; and
- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

Shareholders have no right to require redemption and bear the financial risk of selling their Preferred Shares at a loss.

Shareholders have no right to require the redemption of Preferred Shares by the Company at any time since they have no fixed final maturity date. If the Shareholders intend to dispose their shares, they can only do so in the secondary market. Shareholders would have to bear the financial risk on the possibility of the Preferred Shares being sold at a price below the amount paid for by the Shareholders, if at the time of the sale insufficient liquidity exists in the market for the Preferred Shares.

The Company has a discretion to defer dividend payments on Preferred Shares.

Payment of cash dividends on the Preferred Shares is not guaranteed since the Company has discretion whether or not to declare and pay the dividends on a Dividend Payment Date. Further, Shareholders will not receive dividends on a Dividend Payment Date or for any period if the Company does not have retained earnings out of which to pay dividends. Given these dividend limitations, the market price for the Preferred Shares may be more volatile compared to other securities which do not have the said limitations.

If dividends on the Preferred Shares are not paid, its market price may be adversely affected since they may be traded at a lower price than they might otherwise have been traded if dividends had been paid.

A Shareholder who disposes of his Preferred Shares during such a period may receive a lower return on his investment compared to Shareholder who may have opted to hold the Preferred Shares until the dividends are paid.

The market price of the Preferred Shares may be affected by several factors which could result to its volatility.

The market price of the Preferred Shares could be affected by several factors such as but not limited to: (i) the market value of the assets of the Company; (ii) market conditions; (iii) condition of Philippine politics and economy; (iv) recommendations of financial analysts; (v) condition of business operations or occurrence of business risks; and (vi) changes in Government regulations and legislations.

Furthermore, global equity markets have experienced price and volume volatility that has affected the prices of the shares of various companies. These fluctuations could also adversely affect the market price of the Preferred Shares.

There is no guarantee on the existence of active and liquid market for Preferred Shares.

The Company cannot guarantee that the market for the Preferred Shares will always be active or liquid upon their listing on the PSE, considering the unpredictability and relative lack of stability in the Philippine securities markets. Further, Philippine securities markets are substantially less liquid compared to major securities markets in other jurisdictions.

Moreover, there is no obligation on the part of the Company and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to create a trading market for the Preferred Shares. Should they opt to create such trading market, the same will be subject to limits imposed by applicable law, and runs the risk of termination without notice. It is also for this reason that the Company cannot guarantee the existence of an active or liquid trading market.

Consequently, a Shareholder may be constrained either to hold his Preferred Shares for an indefinite period of time or to trade and sell them at a loss (i.e. less than the Offer Price).

The Company may not have enough residual assets to pay the holders of Preferred Shares in full.

Preferred Shares will constitute unsecured and subordinated obligations of the Company. While Shareholders enjoy preference over the holders of Common Shares in some matters, in the event of winding-up of the Company their rights and claims are still subordinated to the claims of all other creditors of the Company, Under Philippine Corporation law, holders of Preferred Shares will be entitled only to residual assets of the Company which remains after the satisfaction of the claims of the creditors of the Company. Since Preferred Shares are subordinated obligations, there is a substantial risk that the Shareholder will not be able to recover his investment in full or at all, if the Company has no residual assets upon winding-up of its corporate affairs.

The Preferred Shares does not contain any term or condition which restricts the Company from incurring additional indebtedness, including those that which rank senior to or *pari passu* with the Preferred Shares.

The Company's existing and future indebtedness may affect its ability to pay the amounts due to the holders of Preferred Shares.

In order to sustain the business, the Company has outstanding indebtedness and still intends to enter into financing agreements in the future, either directly or indirectly through its Subsidiaries. Such financing agreements, including those already executed, may contain provisions which could limit or restrict the Company to pay the amounts due to the holders of Preferred Shares. There is no guarantee that existing or future financing arrangements will not adversely affect the Company's ability to make payments on the Preferred Shares.

Holders of the Preferred Shares may not be able to reinvest at a similar return on investment.

On the Optional Redemption Date or at any time a Tax Event or an Accounting Event occurs, the Company may redeem the Preferred Shares for cash at the redemption price See *"Description of the Preferred Shares"* of this Preliminary Prospectus. At the time of redemption dividend rates may be lower than at the time of the issuance of the Preferred Shares and, consequently, the holders of the Preferred Shares may not be able to reinvest the proceeds at a comparable yield or purchase securities otherwise comparable to the Preferred Shares.

The Preferred Shares are non-voting shares.

Shareholders will not be entitled to elect the Directors of the Company. Generally, Preferred Shares have no voting rights except in the instances enumerated under the law or where voting rights are specifically granted by a corporation to its preferred shares.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences on the acquisition, ownership and disposition of the Preferred Shares, as well as declaration of dividends to holders thereof ("Preferred Share Transactions"). Discussion hereof does not purport to cover tax aspects of Preferred Share Transactions under tax laws of other jurisdictions. This discussion is based upon Philippine laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Preliminary Prospectus.

The tax treatment of a Preferred Shareholder may vary depending upon such Preferred Shareholder's particular situation, and certain Preferred Shareholder may be subject to special rules not discussed below. This discussion does not purport to address all tax aspects that may be important to a Preferred Shareholder.

PROSPECTIVE PURCHASERS OF THE PREFERRED SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE PREFERRED SHARE TRANSACTIONS, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

On 1 January 2018, Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion" ("TRAIN") Act, took into effect. The TRAIN Act amended provisions of the National Internal Revenue Code of 1997 ("Tax Code") including provisions on Income Tax, Estate Tax, Donor's Tax and Documentary Stamp Tax ("DST").

Pursuant to the Tax Code, the following terms used in this section shall refer to:
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a. *"resident alien" - an individual whose residence is within the Philippines and who is not a citizen thereof;*
b. *"non-resident alien" - an individual whose residence is not within the Philippines and who is not a citizen of the Philippines;*
c. *"non-resident alien engaged in trade or business within the Philippines" – an individual who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year shall be deemed as non-resident alien doing business in the Philippines;*
d. *"non-resident alien not engaged in trade or business within the Philippines" - non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year shall be deemed as non-resident alien not doing business in the Philippines;*
e. *"domestic corporation" – a corporation that is created or organized in the Philippines or under its laws;*
f. *"resident foreign corporation" - is a non-domestic corporation engaged in trade or business within the Philippines; and*
g. *"non-resident foreign corporation" - non-domestic corporation not engaged in trade or business within the Philippines.*

TAX ON SALE, EXCHANGE OR DISPOSITION OF SHARES

SHARES LISTED AND TRADED THROUGH THE PSE

Without prejudice to the application of an income tax treaty, every sale, barter, exchange, or other disposition of shares of stock listed and traded through the PSE, other than the sale by a dealer in securities, shall be subject to a stock transaction tax at the rate of 6/10 of 1% of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed which shall be paid by the seller or transferor. This stock transaction tax is classified as a percentage tax imposed in lieu of a capital gains tax.

However, instead of the stock transaction tax, the tax on sale, exchange or disposition of shares not listed and trade through the PSE shall apply for sale of listed Company' shares during the trading suspension since the sale thereof may be effected only outside the trading system of the PSE. Pursuant to PSE Memorandum CN-No. 2012-0046 dated August 22, 2012, immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six (6) months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership ("MPO") which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10% of the listed company's issued and outstanding shares at all times. Revenue Regulations No. 16-2012 clarified that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and DST.

SHARES NOT LISTED AND TRADED THROUGH THE PSE

Under the Tax Code, as amended by TRAIN Act, capital gains tax at the rate of 15% of the net capital gains on the sale, exchange or disposition of shares of stock outside the facilities of the PSE shall be imposable against the following:

a. Philippine citizen, whether or not a resident;
b. resident alien;
c. non-resident alien, whether or not engaged in trade or business within the Philippines; and
d. a domestic corporation (other than a dealer in securities).

In contrast, the net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to the following rates:

a. 5% for the first P100,000.00 net capital gains; and
b. 10% for the net capital gains in excess of P100,000.00

The foregoing, however, is without prejudice to the application of applicable income tax treaty providing for exemption from capital gains tax. In which case, to avail of the exemption an application for tax treaty relief has to be filed with and approved by the BIR.

No change in ownership of shares shall be recorded in the stock and transfer book of the Company, unless a Certificate Authorizing Registration has been secured from the BIR.

TAX ON DIVIDENDS

Under the Tax Code, tax on cash or property dividends received from a domestic corporation shall vary depending on who the recipient is, as follows:

a. citizens or residents of the Philippines (including resident aliens) – final tax rate of 10%;
b. non-resident alien individuals engaged in trade or business within the Philippines – final tax rate of 20%;
c. non-resident alien individuals not engaged in trade or business within the Philippines - final tax rate of 25%;
d. domestic corporation and resident foreign corporation – exempt;
e. non-resident foreign corporation – final tax rate of 30% as a general rule. The 30% final tax rate may be reduced to a lower rate of 15% if tax sparing applies, which is when:

(i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends; or
(ii) the country of domicile of the non-resident foreign corporation allows at least 15% credit equivalent for taxes deemed to have been paid in the Philippines.

To avail of the 15% preferential tax rate, Revenue Memorandum Circular No. 80-91 (Publishing the Resolution of the Supreme Court dated March 7, 1990 in G.R. No. 76573 entitled "Marubeni Corporation v. Commissioner of Internal Revenue and Court of Tax Appeals" re: pre-requisites for the availment of 15% preferential tax rate under then Section 24 (b)(1) [now Sec. 25(b)(5)(B)] of the Tax Code, as amended dated August 12, 1991) states that the non-resident foreign corporation has to submit the following documents to the payor of the cash dividends:
(i) an authenticated certification issued by the foreign tax authority that the dividends received by the non-resident foreign corporation from the domestic corporation were not among the items considered in arriving at the income tax due from the non-resident foreign corporation;
(ii) the income tax return of the non-resident foreign corporation for the taxable year when the dividends were received; and
(iii) an authenticated document issued by the foreign tax authority showing that the foreign Government allowed a credit on the tax deemed paid in the Philippines or did not impose any tax on the dividends.

In the alternative, the non-resident foreign corporation may file a request for a ruling from the BIR that the 15% income tax rate is applicable to its receipt of the dividends. The income recipient should thereafter provide the payor of the cash dividends with proof of its filing of an application for a ruling with the BIR before the deadline for the remittance to the BIR of the withholding tax on the dividends.

If the regular tax rate is withheld by the Company instead of the reduced rates applicable under an income tax treaty, the non-resident foreign corporation may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

Taxes on dividends shall be withheld by Company and remitted to the BIR in behalf of the shareholders.

The foregoing, however, is without prejudice to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of a non-resident alien or non-resident foreign corporation.

For property dividends, taxes such as VAT, DST and local transfer tax may be imposable depending on the type of property distributed as dividends.

With regard to stock dividends, while the receipt thereof is generally exempt from Philippine income tax, its conveyance is subject to applicable tax on sale, exchange or disposition of shares.

DOCUMENTARY STAMP TAX

Pursuant to the Tax Code, as amended by TRAIN Act, on every original issue, of shares of stock by any association, company or corporation, there shall be collected a DST of P2.00 on each P200.00, or fractional part thereof, of the par value, of such shares of stock issued.

On the other hand, every sales, or agreements to sell, or memoranda of sale, or deliveries, or transfer of shares or certificates of stock in any association, company, or corporation shall be subject to DST of P1.50 on each P200,00, or fractional part thereof, of the par value of such stock sold or transferred. The DST is payable by either or both the seller or the buyer of the shares.

The sale, barter or exchange of shares of stock listed and traded at the PSE is exempt from DST.

ESTATE AND DONOR'S TAX

Shares of a domestic corporation transferred by way of succession is subject to Philippine estate tax. Philippine donor's tax, on the other hand, shall apply if such shares are transferred by way of donation.

Estate tax is equivalent to 6% of the net estate of the deceased, while donor's tax is 6% of the total gifts in excess of P250,000.00 gift made during the calendar year by the donor.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, in respect of the Preferred Shares, shall not be collected:

a. if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or
b. if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

TAX ON TRANSACTION OUTSIDE THE PHILIPPINES

Gain from sale of shares a domestic corporation is deemed derived entirely from Philippine sources, regardless of the place of sale and thus, subject to Philippine income tax. The transfer of such shares by donation or succession is subject to the donors' tax or estate tax.

Note, that the tax treatment of a non-resident shareholder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such shareholder. This Preliminary Prospectus does not discuss the tax considerations of non-resident shareholder under laws other than those of the Philippines.

INCOME TAX TREATIES

Below is a summary of some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividend	Stock Transaction Tax (for Sale of Shares Listed and Traded Through PSE)	Capital Gains Tax (for Sale of Shares not Listed and Traded Through PSE)
Canada	25%[1]	0.60%[2]	Can be exempt[3]
China	15%[4]	Exempt[5]	Can be exempt[3]
France	15%[6]	Exempt[7]	Can be exempt[3]
Germany	15%[8]	Exempt[9]	Can be exempt[3]
Japan	15%[10]	0.60%[2]	Can be exempt[3]
Singapore	25%[11]	0.60%[2]	Can be exempt[3]
United Kingdom	25%[12]	0.60%[2]	Exempt[13]
United States	25%[14]	0.60%[2]	Can be exempt[3]

[1] 15% if the recipient company controls at least 10% of the voting power of the company paying the dividends.

[2] If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed as provided under Tax Code, as amended by TRAIN Act.

[3] Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.

[4] 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends.

[5] Article 2(1)(b) of the RP-China Tax Treaty with respect to Taxes on Income was signed on November 18, 1999.

[6] 10% if the recipient company holds directly at least 10% of the voting shares of the company paying the dividends.

[7] Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic signed on January 9, 1976 was signed in Paris, France on June 26, 1995.

[8] 5% if the recipient company holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company holds directly at least 25% of the capital of the company paying the dividends.

[9] Article 2 (3)(a) of RP-Germany Tax Treaty with respect to Taxes on Income and Capital signed on September 9, 2013.

[10] 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends.

[11] 15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company.

[12] 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends.

[13] Under the RP-UK Tax Treaty, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

[14] 20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation. Notwithstanding the rates provided under the RP-US Tax Treaty with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.

USE OF PROCEEDS

Following the offer and sale of up to ₱2,000,000,000.00 cumulative, non-voting, non-participating, non-convertible, redeemable peso-denominated SEC-registered preferred shares, CPGI expects that the net proceeds of the Offering shall amount to approximately ₱1,968,120,750.00 after fees, commissions and expenses. Assuming an oversubscription of up to ₱1,000,000,000.00, CPGI expects total additional net proceeds of approximately ₱989,947,000.00 after fees, commissions, and expenses.

Net proceeds from the Offering are estimated to be as follows:

	Base Offer	**Oversubscription Option**
Estimated proceeds from the sale of Preferred Shares	₱2,000,000,000.00	₱1,000,000,000.00
Less: Estimated expenses		
Underwriting fees	20,000,000.00	10,000,000.00
DST	106,000.00	53,000.00
SEC registration and legal research fee	1,325,625.00	
SEC listing fee	2,525.00	
PSE Filing fee (inclusive of VAT)	3,360,000.00	
Legal fees (excluding OPE)	3,500,000.00	
Stock Transfer and Receiving Agent fee	225,000.00	
Insurance Commission processing fee	10,100.00	
Audit fees	3,300,000.00	
Other miscellaneous expenses (signing, publicity, etc.)	50,000.00	
Total upfront expenses	**₱31,879,250.00**	**₱10,053,000.00**
Estimated net proceeds for the issue	**₱1,968,120,750.00**	**₱989,947,000.00**
Total Estimated net proceeds for the issue		**₱2,958,067,750.00**

TIMING AND USE OF PROCEEDS

The net proceeds from this Offering shall be used to fund the development of the Company's leasing project in Century City, which will cost P1.8 B. The project is an office development located in Century City along Valdez Street, Brgy. Poblacion, Makati City. It will have 23 office floors, mainly tageting BPO market, has a lot area of 2,000 sq. m. and a net leasable area (NLA) of 28,800 sq. m, and is expected to be completed in 2023. This disbursement will either be in the form of equity of the Company to its respective operating subsidiaries, or through an on loan agreement with its respective subsidiaries. The Company is allocating P1.2 B for Company's working capital requirements.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, PSE and the holders of the Preferred Shares in writing at least 30 days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Board, and disclosed to the PSE. In addition, the Company shall submit via the PSE's online disclosure system, the Electronic Disclosure Generation Technology ("**EDGE**"), the following disclosures to ensure transparency in the use of proceeds:

a. any disbursements made in connection with the planned use of proceeds from the Offer;

b. quarterly progress report on the application of the proceeds from the Offer on or before the first 15 days of the following quarter;

c. annual summary of the application of the proceeds on or before January 31 of the following year; and

d. approval by the Board of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The Company shall submit a certification by the Company's Treasurer and external auditor on the accuracy of the information reported by the Company to the PSE, as well as a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Preliminary Prospectus, if any, in the Company's quarterly and annual reports as required in items (b) and (c) above. Such detailed explanation will state the approval of the Board as required in item (d) above.

DILUTION

The Preferred Shares will not have any dilutive effect as these are non-voting, non-convertible and non-participating.

DETERMINATION OF OFFER PRICE

The Offer Price of ₱100.00 is at a premium to the Preferred Share's par value of ₱0.53. The Offer Price was arrived at by dividing the desired gross proceeds of up to ₱2,000,000,000.00 by the amount of Preferred Shares allocated for this Offer.

30,000,000 Preferred Shares of the Company shall be listed and traded on the PSE under the stock symbol "CPGP".

PLAN OF DISTRIBUTION

CPGI plans to issue the Preferred Shares to institutional and retail investors through a public offering to be conducted through the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

SOLE ISSUE MANAGER, LEAD UNDERWRITER AND SOLE BOOKRUNNER

China Bank Capital, pursuant to an Underwriting Agreement to be entered into with the Company (the "Underwriting Agreement") has agreed to act as the Sole Issue Manager, Lead Underwriter and Sole Bookrunner for the Offer and as such, distribute and sell the Preferred Shares at the Offer Price, and has also committed to underwrite up to ₱2,000,000,000.00 of the Preferred Shares on a firm basis, with an Oversubscription Option of ₱1,000,000,000.00 in either case subject to the satisfaction of certain conditions provided in the Underwriting Agreement and in consideration of an underwriting fee equivalent to 1.00% of the gross proceeds. This shall be inclusive of fees to be paid to participating underwriters, if any, and commissions to be paid to the PSE Trading Participants, which shall be equivalent to 0.125% of the total proceeds of the sale of Preferred Shares by such PSE Trading Participant.

There is no arrangement for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner to return to CPGI any unsold Preferred Shares. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Preferred Shares being made to CPGI. There is no arrangement giving the Sole Issue Manager, Lead Underwriter and Sole Bookrunner the right to designate or nominate member(s) to the Board of Directors of CPGI.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner is duly licensed by the SEC to engage in underwriting or distribution of the Preferred Shares. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner may, from time to time, engage in transactions with and perform services in the ordinary course of its business for CPGI.

The Sole Issue Manager, Lead Underwriter and Sole Bookrunner has no direct relations with CPGI in terms of ownership by its major stockholder/s.

The Sole Issue Manager, Lead Underwriter, and Sole Bookrunner, China Bank Capital, a subsidiary of China Bank, provides a wide range of investment banking services to clients across different sectors and industries. Its primary business is to help enterprises raise capital by arranging or underwriting debt and equity transactions, such as project financing, loan syndications, bonds and notes issuances, securitizations, initial and follow-on public offerings, and private equity placements. The Underwriter also advises clients on structuring, valuation, and execution of corporate transactions, including mergers, acquisitions, divestitures, and joint ventures. It was established and licensed as an investment house in 2015 as the spin-off of China Bank's investment banking group, which was organized in 2012.

SALE AND DISTRIBUTION

The distribution and sale of the Preferred Shares shall be undertaken by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner who shall sell and distribute the Preferred Shares to third party buyers/investors. The Sole Issue Manager, Lead Underwriter and Sole Bookrunner authorized to organize a syndicate of other underwriters, soliciting dealers and/or selling agents for the purpose of the Offer. Nothing herein shall limit the rights of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner from purchasing the Preferred Shares for its own account.

There are no persons to whom the Preferred Shares are allocated or designated. The Preferred Shares shall be offered to the public at large and without preference.

Of the 20,000,000 Preferred Shares, 80% or 16,000,000 Preferred Shares are being offered through the Sole Issue Manager, Lead Underwriter and Sole Bookrunner for subscription and sale to qualified institutional buyers and the general public. The Company plans to make available up to 20% or 4,000,000 Preferred Shares for distribution to the respective clients of the 129 PSE Trading Participants of the PSE, acting as Selling Agents. Each PSE Trading Participant shall be allocated 31,000 Preferred Shares (the "TP Allocation") (computed by dividing the aggregate Preferred Shares allotted to the PSE Trading Participants by 129). Each PSE Trading Participant may undertake to purchase more than their allocation of 31,000 Preferred Shares. Any requests for shares in excess of 31,000 Preferred Shares may be satisfied via the reallocation of any Preferred Shares not taken up by the other PSE Trading Participants. The remainder of 1,000 Preferred Shares, plus any Preferred Shares allocated to the PSE Trading Participants but not taken up by them, will be allocated first to the PSE Trading Participants who subscribed for their full allotment and indicated additional demand, at the sole discretion of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner.

Prior to the close of the Offer Period, any Preferred Shares not taken up by the PSE Trading Participants shall be distributed by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner directly to its clients and the general public. All Preferred Shares not taken up by the PSE Trading Participants, the general public and the clients of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner and [other underwriters], shall be purchased by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner pursuant to the terms and conditions of the Underwriting Agreement.

LOCAL SMALL INVESTORS

There will be no allocation to Local Small Investors under the proposed Offer.

OFFER PERIOD

The Offer Period shall commence at 9:00 am on [•], 2019 and end at 12:00 noon on [•], 2019 or such other date as may be mutually agreed between the Company and the Issue Manager, Lead Underwriter and Bookrunner.

APPLICATION TO PURCHASE

Applicants may purchase the Preferred Shares during the Offer Period by submitting to the Sole Issue Manager, Lead Underwriter and Sole Bookrunner properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Preferred Shares in the manner provided in said Application to Purchase.

Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration, AOI, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies relative to the purchase of the Preferred Shares and designating the authorized signatory(ies) thereof.

Individual applicants must also submit, in addition to accomplished Application to Purchase and its required attachments, a photocopy of any one of the following identification cards ("ID"), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) a BIR-certified true copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption; (ii) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the applicant purchases the Preferred Shares for its account, or (ii.b) the Trust Officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Preferred Shares pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, which shall include a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 72-2010; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Preferred Shareholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar, Paying Agent and Stock Transfer Agent.

Payment for the Preferred Shares shall be made by manager's check/cashier's check, corporate check or personal check drawn against any BSP authorized bank or any branch thereof. All checks should be made payable to "[•]", crossed "Payee's Account Only," and dated on or before the date of submission of the Application. Cash payments shall not be accepted.

Completed Applications to Purchase and corresponding payments must reach the Sole Issue Manager, Lead Underwriter and Sole Bookrunner prior to the end of the Offer Period, or such earlier date as may be specified by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Acceptance by the Sole Issue Manager, Lead Underwriter and Sole Bookrunner of the completed Application to Purchase shall be subject to the availability of the Preferred Shares and the acceptance by CPGI. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of 500 Preferred Shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 100 Preferred Shares.

ALLOTMENT OF THE PREFERRED SHARES

If the Preferred Shares are insufficient to satisfy all Applications to Purchase, the available Preferred Shares shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to CPGI's exercise of its right of rejection.

ACCEPTANCE OF APPLICATIONS

CPGI and the Sole Issue Manager, Lead Underwriter and Sole Bookrunner reserve the right to accept or reject applications to subscribe in the Preferred Shares, and in case of oversubscription, allocate the Preferred Shares available to the applicants in a manner they deem appropriate.

REFUNDS

If any application is rejected or accepted in part only, the application money or the appropriate unused portion thereof shall be returned without interest to such applicant through the Sole Issue Manager, Lead Underwriter and Sole Bookrunner with whom the applicant has filed the Application within five (5) Business Days from the end of Offer Period.

Should the refund be made via a check, an applicant may retrieve such check refund at the office of the Sole Issue Manager, Lead Underwriter and Sole Bookrunner. Refund checks that remain unclaimed after thirty (30) days from the date such checks are made available for pick-up shall be delivered through registered mail, at the applicant's risk, to the address specified by the applicant in the Application.

SECONDARY MARKET

CPGI intends to list the Preferred Shares in the PSE. CPGI may purchase the Preferred Shares at any time without any obligation to make *pro-rata* purchases of Preferred Shares from all Shareholders.

REGISTRY OF SHAREHOLDERS

The Preferred Shares shall be issued in scripless form through the electronic book-entry system maintained by the Registrar and lodged and lodged with PDTC as Depository Agent on Issue Date through Selling Agents nominated by the applicants.

Applicants shall indicate in the proper space provided for in the Application to Purchase the name of the Selling Agent under whose name their Preferred Shares will be registered and the relevant Selling Agent shall sign the Application to Purchase on the space provided therefor.

Legal title to the Preferred Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder). The Registrar shall send at least once every quarter a Statement of Account to all Shareholders named in the Registry of Shareholders, confirming the number of Preferred Shares held by each Shareholder of record in the Registry of Shareholders. Such Statement of Account shall serve as evidence of ownership of the relevant Shareholder as of a given date thereof. Any request by Shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Shareholder.

DESCRIPTION OF BUSINESS

OVERVIEW

CPGI is one of the leading real estate companies in the Philippines with 32 years of experience. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums, retail leasing and property management.

Currently, the Company has six Subsidiaries namely CCDC, CLC, CCC, PPHI, CDLC and CPMI, five of which are wholly-owned. Through its Subsidiaries, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of June 30, 2019, the Company has completed 27 projects, namely: 24 residential projects, consisting of 13,865 units and an aggregate gross floor area (GFA) of 1,119,929 sq.m. (Inclusive of parking); a retail commercial building with GFA of 52,233 sq.m. (Inclusive of parking); a medical office building with GFA of 74,103 sq.m. (Inclusive of parking); and an office building with GFA of 31,952 sq.m. of GFA (inclusive of parking). Furthermore, the Company has also completed 503 homes under its affordable housing segment. These are in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sq.m. that were completed prior to 2010 by the Meridien Group of Companies ("Meridien"), the founding principals' prior development companies. Noteworthy developments of Meridien include: the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City.

Currently, the Company is developing ten (10) master-planned communities that is expected to have 32 condominiums 931 single detached homes, and 5,944 houses with a total expected GFA of 1,655,035 sq.m and commercial properties with 306,736 sq.m of GFA. These master-planned communities are:

- ***Century City*** – A 3.4-hectare mixed-use project in Makati City with eight buildings covering a total planned GFA (with parking) of 643,176 sq.m. The Company completed The Gramercy Residences, The Knightsbridge Residences, Century City Mall, Centuria Medical Makati, The Milano Residences and Trump Tower. There are two additional ongoing projects including Century Diamond Tower, an office building in partnership with Mitsubishi Corporation and Century Spire designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A. These two ongoing projects have projected completion dates in 2019 and 2021, respectively.

- ***Acqua Private Residences*** – Located in Mandaluyong City, this development is comprised of six towers with views of the Makati City skyline and will feature a country club with fitness, retail, dining and entertainment facilities, as well what is expected to be the first riverwalk promenade in the Philippines. There are five towers completed; namely: Niagara, Sutherland, Detifoss, Livingstone, and Iguazu. The Novotel Suites Manila, the last tower is projected to be completed in 2019.

- ***Azure Urban Resort Residences*** – CPGI's first property in the affordable market segment, Azure Urban Resort Residences is a nine-building residential property set on six hectares in Parañaque City. The development features what is expected to be the first man-made beach in an urban residence in Manila and a beach club designed by Paris

Hilton. The nine towers have been completed, namely: Rio, Santorini, St. Tropez, Positano, Maui, Miami, Maldives and, Boracay and Bahamas.

- ***The Residences at Commonwealth*** – It is a 4.4-hectare project of CPGI and its first master-planned residential community development in Quezon City. The eight-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City. Out of the eight towers, four have already been completed; namely, Osmeña West, Quezon North, Roxas East, and Osmeña East. The last four towers have completion dates from 2019 up to 2020.

- ***Canyon Ranch*** – A 25-hectare house and lot community that is part of the 77-hectare San Lazaro Leisure Park in Cavite City targeted for middle-income buyers. The community features a clubhouse with sports and leisure facilities and offers residents views of the Leisure Park which includes one of only two operating horse racing tracks in the Philippines. A total of 931 houses have already been completed.

- ***PHirst Park Homes*** – It is the first-home division and brand of the CPGI. Its maiden project located along Governor's Drive, Brgy. Tanauan, Tanza Cavite, is a three phase horizontal residential property, which offers both Townhouse units & Single Attached units. The development covers a total planned GLA of 256,514 sq.m. PHirst Park Homes has also launched a 20-hectare development in Lipa, Batangas with 1,867 units valued at ₱2.8 billion in the second quarter of 2018 and the 18-hectare development in San Pablo, Laguna with 1,640 units valued at ₱2.7 billion launched in February 2019.

- ***The Resort Residences at Azure North*** - Century Properties' first development in Pampanga and outside of Metro Manila. This 8-hectare mixed-use development replicates the developer's success with the Azure Urban Resort Residences in Bicutan, Parañaque, through its concept of beachfront living in the city.

  With plans for condominium towers, townhouse clusters, office towers, and a retail boardwalk, Azure North is located on the western side of the North Luzon Expressway, close to the existing retail complexes. Each residential cluster will again be named after famous beaches around the world, namely Monaco, Bali, and Barbados. In addition to the beach, its water features will include various pools for children and adults. Amid these will be a pool bar, a beach club, a multi-purpose event space, and a centerpiece called the Azure North Island, which will be offered for private events and gatherings.

- ***Batulao Artscapes -*** Batulao Artscapes is Century Properties' first residential tourism community located in Nasugbu, Batangas. Its ArtVenture concept features art and adventure spaces, including a sports park, flavor park, and an art park. As a Livable Art Park, it offers designer homes from Revolution Precrafted. The first nine hectares of the property consists of 500 homes by architect Ed Calma called Polygonal Successions and designer Kenneth Cobonpue's Hedera Home. Batulao Artscapes targets families, weekend adventure seekers, and active retirees with its relatively cool climate, world-class amenities, and proximity to Metro Manila's financial district. It only takes a 1.5 to 2-hour drive from Makati via four access points: through Daang Hari Road towards the scenic Nasugbu-Kaybiang Tunnel, the Star Tollway to Tanauan Exit, the South Luzon Expressway (SLEX), and Cavite Expressway (CAVITEX).

In addition, the Company has completed Asian Century Center in 2018, an office development project in Bonifacio Global City, in partnership with Asian Carmakers Corporation

The Company's land bank for future development consists of properties in Quezon City (2 properties), Mandaluyong City, Pampanga, Palawan, and Batulao that cover a total site area of 230 hectares. In addition, CPGI and Global Gateway Development Corp. ("GGDC") signed a memorandum of agreement to create a JV that will develop 2.6 hectares of the 177-hectare Clark Global City into a mix of residential and office buildings.

The Company, through subsidiary CPMI also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value, and are safe and secure. CPMI manages 46 projects as of June 30, 2019 with 2.38 million sq.m of GFA (with parking) under management. Of the total, 76% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the One Corporate Center and Union Bank Plaza in Ortigas, BPI Buendia Center and Pacific Star Building in Makati City and Philippine National Bank Financial Center in Pasay City.

The Company's aim is to enhance the overall quality of life for its Filipino and foreign clients by providing distinctive, high quality and affordable properties. The Company focuses on differentiation to drive demand, increase its margins and grow market share. In particular, the Company identifies what it believes are the best global residential standards and adapts them to the Filipino market. The Company believes that it has earned a reputation for pioneering new housing concepts in the Philippines. One of the Company's significant contributions is the FF/FF concept, which is now an industry standard in the Philippines. The Company also employs a branding strategy that focuses on strategic arrangements with key global franchises to help capture and sustain consumers' awareness. To date, the Company has entered into agreements with Gianni Versace S.P.A., The Trump Organization, Paris Hilton, Missoni Homes, Yoo by Philippe Starck, and Giorgio Armani S.P.A, among others.

The Company has marketed and sold to clients in more than 50 countries and, as a result, a significant portion of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three years. The Company conducts its sales and marketing through the Company's extensive domestic and international network of 637 exclusive agents who receive monthly allowances and commissions and 1,325 non-exclusive commission-based agents and 65 brokers as of December 31, 2018.

For calendar years 2016, 2017 and 2018 and for the six-month period ended June 30, 2019, revenue (including other income) was ₱7,272 million, ₱7,757 million, ₱11,776 million and ₱6,388 million, respectively, and net income was ₱727 million, ₱650 million, ₱1,118 million and ₱772 million, respectively. As of June 30, 2019, the Company had total assets of ₱53,745 million, and total equity of ₱16,937 million (excluding non-controlling interest).

CORPORATE HISTORY AND STRUCTURE

History

CPGI, formerly East Asia Power Resources Corporation ("EAPRC"), was originally incorporated on March 13, 1975 as Northwest Holdings and Resources Corporation. On September 26, 2011, the Board of Directors of EAPRC approved the change in the Company's corporate name to its present name, as well as the change in its primary business purpose from power generation to that of a holding company and real estate business. Between May and November 2011, CPGI entered into a series of transactions with EAPRC, a corporation organized under the laws of the Philippines and listed on the PSE, whereby, among other things, CPI acquired 96.99% of EAPRC's common shares and EAPRC acquired all of the Subsidiaries of CPGI.

CPGI currently undertakes real estate projects and developments through its Subsidiaries and an Associate. Through such Subsidiaries and Associate, the Company develops, markets and sells residential, office, medical and retail properties as well as manages residential and commercial properties in the Philippines.

Chairman Jose E.B. Antonio spearheaded the Company's formation with the vision of becoming one of the Philippines' top five real estate sales and development firms as measured by total sales value.

After experiencing the sales and marketing aspects of the real estate industry, the founders of the Company established Meridien Land Holdings, Inc., Meridien East Realty and Development Corporation, Meridien Far East Development Corporation, and other related entities to focus primarily on developing mid-market central business district high-rise projects. Chairman Jose E.B. Antonio has a 40% ownership stake in Meridien. Through Meridien, the Company developed its first project, Le Grand in Makati City, to cater to the middle market segment, and subsequently developed Le Triomphe, Medical Plaza Makati, Medical Plaza Ortigas, SOHO Central, South of Market and Essensa.

In 1989, CPMI was established as the first professional real estate management company in the Philippines, to handle property management services. CPMI manages 46 projects as of December June 30, 2019, including properties such as One Corporate Center and Union Bank Plaza in Ortigas, BPI Buendia Center and Pacific Star Building in Makati City and Philippine National Bank Financial Center in Pasay City. Of the total CPMI's projects under management, 76% of the properties were not developed by the Company, underscoring CPMI's reputation in the market.

CPI, the parent of the Company, was incorporated in 1983 and began operations in 1986. It was primarily organized to focus on marketing and sales for third-party real estate developers. CPI continued its operations throughout the 1990s, and established itself as an innovative, high quality property developer in the central business districts of the Philippines. In 1997, the Company began developing what it believes is one of the most prestigious residential buildings in the country, the Essensa East Forbes. Designed by the architectural firm Pei Cobb Freed & Partners, which was founded by Pulitzer Prize winning architect I.M. Pei, the architect of the Grand Louvre in Paris and the Bank of China Tower in Hong Kong, Essensa utilized high quality materials in its design such as travertine stone quarried from the same source as the Coliseum in Rome.

In 2006, leveraging on its experience in developing high quality buildings and infrastructure, CCDC, a subsidiary of CPGI expanded its business into developing large-scale mixed-use properties by acquiring a lot that was previously occupied by the International School of Manila in the central business district of Makati City. CCDC designated this area as the location of one of its most ambitious projects to date, Century City, which is expected to include eight buildings. As of the date of this Preliminary Prospectus, six (6) buildings have been completed with two (2) others in different stages of development. Completed projects are The Gramercy Residences, The Knightsbridge Residences, The Milano Residences, Trump Tower Manila, Centuria Medical Makati and the Century City Mall. Under development are Century Spire and Century Diamond Tower. When fully completed, the Company believes that Century City will be one of the pre-eminent mixed-use communities in Makati City.

In 2008, observing the demand for housing in the affordable market, CLC, a subsidiary of CPGI, expanded its product line into providing condominiums for the affordable to middle-income segment of the market. It launched its first project, Azure Urban Resort Residences in December 2009 with the aim of providing housing for young couples, families, OFWs and other consumers seeking an urban beach resort lifestyle.

In 2011, CLC launched Acqua Private Residences, a residential community in Mandaluyong City. At completion, the project will have six towers with over 3,000 units. At the end of June 2019, five of the six buildings have already been completed. These are Niagara, Sutherland, Dettifoss, Livingstone (interior designed by MISSONIHOME), and Iguazu (Yoo inspired by Starck).

On May 31, 2011, the Company has been made aware that El Paso Philippines Energy Company, Inc.'s ("EPPECI") entered into an agreement with CPI, providing for the terms and conditions for the purchase by CPI of EPPECI's 284,250,000 issued and outstanding fully-paid and preferred shares of stocks of EPHE Philippines Energy Corporation ("EPHE") and 67,096,092 issued and outstanding fully-paid common shares of stock in the Company, which will thereby effect a change in the ownership and control of the Company.

On July 11, 2011, the Company further disclosed that CPI has commenced a negotiated purchase thru a Deed of Assignment of Shares of Stock dated May 31, 2011 with EPPECI for the following acquisitions: (1) 67,096,092 common shares ("Public Sale Shares") of the Company equivalent to 1.888% of the Company and (2) 284,250,000 common and preferred shares ("Private Sale Shares") of EPHE resulting to an indirect acquisition of equivalent to 91.695% of the total issued and outstanding capital stock of the Company. The purchase price for the Public and Private Sale Shares amounts to a total consideration of ₱127,406,794.31 (the "Private Sale Consideration") allocated as follows: ₱2,569,732.51 for the Public Sale Shares and ₱124,837,061.80 for the Private Sale Shares.

On the same date, CPI and the Company executed and signed two (2) Deeds of Assignment of Shares of Stock effectively superseding the May 31, 2011 Deed of Assignment to finally close the above-mentioned acquisitions (1) Public Sale Shares and (2) Private Sale Shares. The July 11, 2011 Deeds of Assignment contained the same terms and conditions as stated in the May 31, 2011 Deed of Assignment thereby effecting a change in the ownership and control of the Company.

In 2012, CLC launched its first project in Quezon City called The Residences at Commonwealth by Century, which will cater to the affordable market. The community will have eight mid-rise towers, with over 2,900 units. The first four towers have already been completed, namely Osmeña West, Quezon North, Roxas East, Osmeña East.

In September 2013, CCDC completed the Century City Mall, its first retail mall with total GFA of 52,233 sq.m and is 95% leased as of December 2018. The retail mall was designed to cater to residents, employees and patients of Century City, as well as residents of surrounding communities. CPGI also completed the Knightsbridge Residences in Century City, as well as turned over the Rio and Santorini buildings in Azure Urban Residences.

COMPLETED / TURNED OVER PROJECTS AS OF JUNE 30, 2019
Residential Projects

Residential Projects	Location	Type	GFA in sq.m. (with parking)	Units	Year Completed

Century City					
Gramercy Residences	Makati City	Residential	121,595	1,432	2012
Knightsbridge Residences	Makati City	Residential	87,717	1,329	2013
Milano Tower	Makati City	Residential	64,304	516	2016
Trump Tower	Makati City	Residential	55,504	267	2017
Subtotal			***329,119***	***3,544***	
Azure Urban Resorts Residences					
Rio	Parañaque City	Residential	42,898	756	2013
Santorini	Parañaque City	Residential	36,126	553	2013
St. Tropez	Parañaque City	Residential	36,260	580	2014
Positano	Parañaque City	Residential	35,164	597	2015
Miami	Parañaque City	Residential	34,954	559	2015
Maui	Parañaque City	Residential	41,235	601	2016
Maldives	Parañaque City	Residential	28,859	385	2017
Boracay	Parañaque City	Residential	27,713	473	2018
Bahamas	Parañaque City	Residential	53,701	851	2019
Subtotal			***336,909***	***5,355***	
Acqua Private Residences					
Niagara	Mandaluyong City	Residential	33,709	474	2015
Sutherland	Mandaluyong City	Residential	41,705	735	2015
Dettifoss	Mandaluyong City	Residential	36,536	607	2016
Livingstone	Mandaluyong City	Residential	40,251	675	2016
Iguazu	Mandaluyong City	Residential	435,937	492	2018
Subtotal			***188,139***	***2,983***	
The Residences at Commonwealth by Century					
Osmeña West	Quezon City	Residential	14,525	158	2015
Quezon North	Quezon City	Residential	17,760	285	2017
Roxas East	Quezon City	Residential	27,255	389	2017
Osmeña East	Quezon City	Residential	14,089	220	2018
Subtotal			***73,630***	***1,052***	
Canyon Ranch					
Phase 1 & 2	Carmona, Cavite	Residential	166,400	781	
Moderno	Carmona, Cavite	Residential	25,303	150	
Subtotal			***73,630***	***931***	
Grand Total			**1,119,929**	**13,865**	

Commercial/ Office Projects

Commercial/Office Projects	Location	Type	CFA in sq.m. (with parking)	Units	Year Completed
Century City Mall	Makati City	Retail	52,233	150	2013
Centuria Medical Makati	Makati City	Medical Office	74,103	712*	2015
Asian Century Center	BGC, Taguig City	Office Building	56,284	55	2018
Total			**182,620**	**917**	

**571 units sold, 141 units for lease*

Sold Residential Projects

Project	Location	No. of Units Inventory	No. of Units Sold	% Sold	Total Sales Value (₱ millions)	Sold Revenues (₱ millions)	Remarks
Century City	Makati City	4,752	4,569	96%	37,788	34,267	Most of unsold units are under Century Spire. Target project turnover is 2021.

Azure South	Parañaque City	5,355	4,904	92%	22,966	20,104	The remaining unsold units are mainly under Bahamas, the last tower in Azure which is for turnover in 2019
Azure North	San Fernando, Pampanga	2,433	1,784	73%	10,618	6,789	All towers are under construction. Bali and Monaco are due for turnover in 2020 while Barbados, the last tower, is expected to be completed in 2021.
Acqua Residences	Mandaluyong City	3,320	3,247	98%	17,952	16,905	Novotel, the last tower, is due for completion in 2019
Commonwealth	Quezon City	3,286	2,778	85%	13,979	10,756	The last 3 towers are due for turnover in 2019 while the last one is expected to be completed in 2020
Canyon Ranch	Carmona, Cavite	929	917	99%	3,689	3,631	Substantially sold
PHirst Park Homes	Tanza, Cavite	2,113	1,948	92%	3,129	2,836	Launched in 2017, more than 500 houses are completed as of June 2019, Phase 1 is 98% sold, Phase 2 is 86% sold
	Lipa, Batangas	1,683	1,077	64%	2,468	1,476	Launched only in Q4 2018
	San Pablo, Laguna	1,241	484	39%	1,904	705	Launched only in Q1 2019
Batulao Artscapes	Nasugbu, Batangas	560	336	60%	3,409	2,008	Launched in 2017
TOTAL		25,672	22,044	86%	117,901	99,478	

PROPERTIES UNDER MANAGEMENT AS OF JUNE 30, 2019

The Company, through CPMI, manages both residential and commercial properties. The following table sets forth information regarding residential properties under its management.

NO. OF BLDGS	PROJECT	LOCATION	DEVELOPER	GFA (sq. m.)
RESIDENTIAL PROPERTIES				
1	Astoria Plaza Condominium	Pasig	Millennium Properties & Brokerage	53,767
4	Acqua Private Residences	Mandaluyong	Century Properties, Inc.	52,821
6	Azure Urban Residences	Paranaque	Century Properties, Inc.	125,216
1	Bel-Air Soho Condominium	Makati	Meridien East Realty & Development Corp.	9,468
1	BSA Suites Condominium	Makati	ASB Development Corp.	22,925
1	Commonwealth Residences	Commonwealth	Century Properties, Inc.	136,896
2	Essensa East Forbes	Taguig	Meridien East Realty & Development Corp.	115,000
2	Golden Empire Tower	Manila	Moldex Land Holdings	129,514
1	Grand Soho Makati Condominium	Makati	Century Properties, Inc.	29,628
1	Knightsbridge Condominium	Makati	Century City Development Corp	43,414
1	Le Triomphe Condominium	Makati	Meridien East Realty & Development Corp.	20,239
1	Paragon Plaza	Mandaluyong	Fil Estate Properties, Inc.	71,631
1	Pioneer Highlands North	Mandaluyong	Universal Rightfield Property Holdings, Inc.	89,990
2	Skyway Twin Towers	Pasig	Amberland Corporation	95,417
1	South of Market Condominium	Taguig	Meridien East Realty & Development Corp.	62,246
1	The Gramercy residences	Makati	Century City Development Corp	121,595
1	The Milano Residences*	Makati	Century City Development Corp	49,543
1	The Trump Tower*	Makati	Century City Development Corp	42,165
1	Tiffany Place Condominium	Makati	River Oaks Realty Corporation	24,702
1	Two Lafayette Square	Makati	Megaworld Properties & Holdings, Inc.	17,189
1	West of Ayala Condominium	Makati	Meridien East Realty & Development Corp.	57,752
32	TOTAL			1,371,117

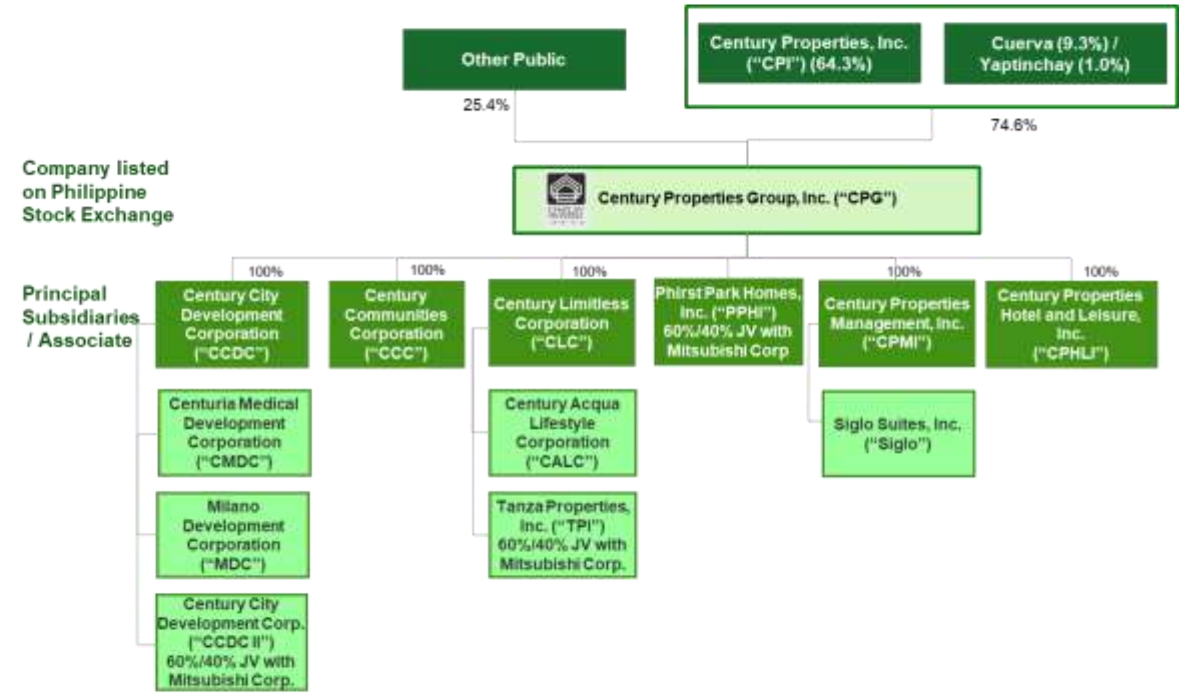
NO. OF BLDGS	PROJECT	LOCATION	DEVELOPER	GFA (sq. m.)
COMMERCIAL PROPERTIES				
1	139 Corporate Center	Makati	Antel Realty & Development Corporation	24,426
1	88 Corporate Condominium	Makati	Belgen Realty Development, Inc.	37,677
1	AvecShares Asia, Inc.	Taguig	Avecshares Asia, Inc.	12,232
1	Asian Century Center	Taguig	Century Properties, Inc.	
1	Century City Lifestyle Mall	Makati	Century Properties, Inc.	52,233
1	Centuria Medical Makati	Makati	Century Properties, Inc.	45,103
4	BPI Makati Offices	Makati	Bank of the Philippine Islands	61,262
1	Innove Plaza Condominium	Cebu	Prosperity Properties & Management Corp	12,031
1	Medical Plaza Ortigas	Pasig	Meridien Property Ventures, Inc.	34,642
1	One Corporate Center Ortigas	Pasig	Amberland Corporation	117,799
1	One Corporate Plaza	Makati	Inchport Realty Corporation	12,034
1	One Magnificent Mile Condominium	Pasig	Meridien Far East Properties	23,105
1	One San Miguel Avenue Condominium	Pasig	Amberland Corporation	64,577
1	Pacific Star Building	Makati	Penta Pacific Realty Corporation	95,302
1	Prestige Tower Condominium	Pasig	Amberland Corporation	58,698
1	Singapore Embassy	Taguig	Singapore Embassy	4,900
1	Solar Century Tower	Makati	Solar Entertainment Corporation	5,265
1	Union Bank Plaza	Pasig	Union Bank Plaza	76,893
21	TOTAL			738,179

NO. OF BLDGS	PROJECT	LOCATION	DEVELOPER	GFA (sq. m.)
FACILITES MANAGEMENT				
1	Fisher-Rosemount Systems, Inc.	Pasig	Amberland Corporation	7,378
1	Makati Cinema Square	Makati	MCS Condominium Corporation	20,000
1	PNB Financial Center	Pasay	Philippine National Bank	151,435
3	PNB Offices	Pasig/ Makati	Philippine National Bank	
	Century City Estates Associations, Inc.	Makati	Century Properties Inc	
1	National Grid Corporation of the Phils	Quezon City		8,000
1	HMRID Industrual Park	Taguig		80,000
8	TOTAL			266,813

TOTAL PROJECTS	**46**	**2,376,109**
TOTAL BUILDINGS	**61**	

CORPORATE STRUCTURE

The following chart shows the Company's current corporate and ownership structure.



The Subsidiaries are segregated by the target market of each project, allowing each to specialize and focus on their buyers' requirements in pricing, size, location, and amenities. Below is a description of each subsidiary and associate of the Company:

Century Communities Corporation (CCC)

CCC, incorporated on March 15, 1994, is focused on horizontal house-and-lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is currently developing Canyon Ranch, a 25-hectare house-and-lot development located in Carmona, Cavite.

Century City Development Corporation (CCDC)

CCDC, incorporated on December 19, 2006, is focused on developing mixed-use communities that contain residences, office, and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

Century Limitless Corporation (CLC)

CLC, incorporated on July 9, 2008, focuses on developing high quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families, and retirees seeking safe, secure, and convenient homes within close proximity of quality healthcare facilities.

Century Properties Management, Inc. (CPMI)

CPMI, incorporated on March 17, 1989, is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI has 46 projects in its portfolio, covering a total GFA of 2.38 million sq.m as of June 30, 2019. The Company believes that CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

Century Destinations and Lifestyle Corp. (CDLC)
(Formerly Century Properties Hotel and Leisure, Inc.)

CDLC, incorporated in March 27, 2014, operates, conducts and engages in hotel business and related business ventures.

PHirst Park Homes Inc. (PPHI)

PPHI, incorporated on August 31, 2018, is the first-home division and brand of CPGI. Its projects are located within the fringes of Metro Manila and its target market are first-time homebuyers. Its current projects are located at Barangay San Lucas in Lipa City and San Pablo, Laguna, which involve a multi-phase horizontal residential property and offer both Townhouse units & Single Attached units. PHirst Park Homes is a joint venture project between Century Properties Group Inc. and Mitsubishi Corporation with a 60-40% shareholding, respectively.

KEY INVESTMENT HIGHLIGHTS

The Company believes that its competitive strengths include the following:

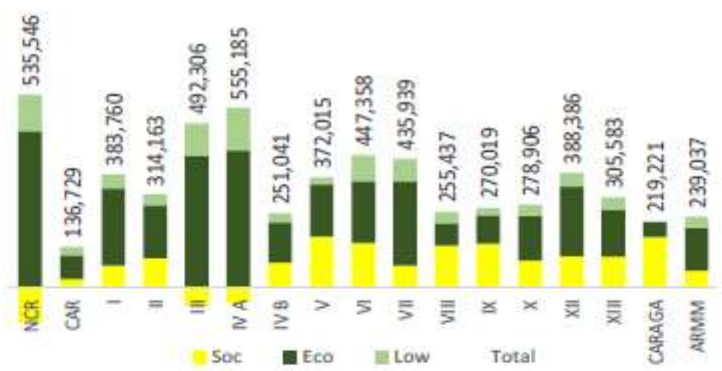
Growth strategy supported by favorable macroeconomic environment

The Company's entry into affordable housing segment capitalizes on the country's demand for affordable housing. For the period between 2001 and 2015, unmet housing need is already at 6.6 million units. Demand for housing units is expected to increase with housing demand estimated at 5.7 million units for the period between 2016 and 2030 totaling to 12.3 million units of housing need by 2030.

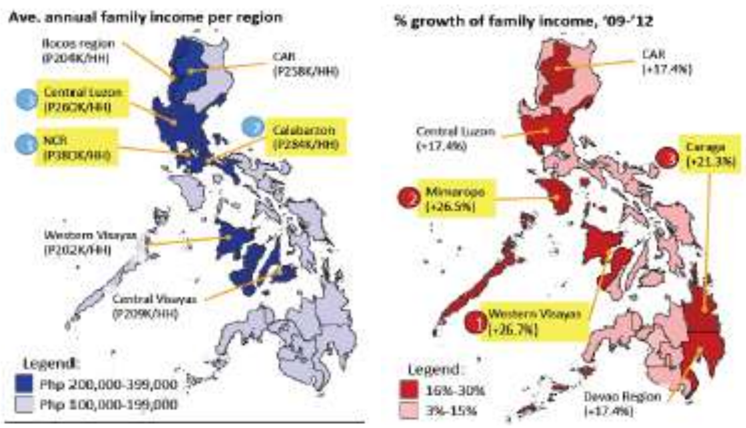
Segment	Unmet Housing Need, 2001-2015	Estimated Housing Demand, 2016-2030	Estimated Housing Need by 2030
Can't Afford	786,984	1,134,986	1,921,970
Socialized	1,275,921	1,369,181	2,645,102
Economic	3,686,429	2,509,718	6,196,147
Low Cost	918,820	611,815	1,530,095
Mid Cost		78,705	78,705
High End		11,767	11,767
Need	**6,667,614**	**5,716,172**	**12,383,786**

Source: SHDA, HUDCC

Housing Backlog by Region



Source: SHDA, HUDCC



Source: SHDA, HUDCC

Proven track record of delivering innovative and high-quality projects in the luxury and middle-income condominium segments

With a 32-year track record of delivering innovative luxury, middle-income and affordable condominiums, the Company continues to focus on identifying the best global standards and adapting them to the Philippine setting. To date, the Company has introduced into the Philippines FF/FF units (now common throughout the Philippines), the first urban residence featuring a man-made beach, and medical offices sold to doctors.

As of June 30 2019, the Company has completed 27 projects, namely: 24 residential projects consisting of 13,865 units and an aggregate GFA of 1,119,929 sq.m. (inclusive of parking); a retail commercial building with CFA of 52,233 sq.m. (inclusive of parking); a medical office building with CFA of 74,103 sq.m. (inclusive of parking); and an office building with CFA of 56,147 sq.m. of GFA (inclusive of parking). Furthermore, the Company has also completed 503 homes under its affordable housing segment. This is in addition to the 19 buildings consisting of 4,128 units with an aggregate GFA of 548,262 sq.m. that were completed prior to 2010 by the Meridien, the founding principals' prior development companies. Noteworthy developments of Meridien include: the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City.

Furthermore, CPGI has significantly pre-sold, completed and financed projects that are expected to generate positive cash flow for the Company once construction and collection of turnover balances are completed. The cash cycle of condominium projects is such that buyer equity collected during the construction period is around 10% to 30% of total contract price. As a result, the company requires credit facilities to bridge condominium completion. The company is at a stage wherein (27 out of 40) of its projects are already completed. From these 40 projects, the CPGI has already pre-sold 90% in terms of units and has remaining installment contract receivables of ₱24.0 billion. For the remaining eleven (11) projects under construction, the Company has already pre-sold 68% in terms of units, and has remaining installment contract receivables of ₱14.4 billion. These projects are also backed with existing credit facilities, thus further mitigating completion risk.

The Company also leads the Philippines in partnering with globally renowned brands to enhance the prestige and visibility of its developments, leveraging its credibility, track record and focus on quality to make it a preferred partner to global franchises. For example, the Company has previously executed successful tie-ups with Paris Hilton, Versace Home, Trump Organization, Missoni Home, Yoo inspired by Starck, and Armani/Casa.

Complementing its focus on innovation, the Company is similarly dedicated to ensuring its projects are delivered on time and on budget. The Company believes that its reputation for high quality, well-executed projects is of paramount importance and will continue to be a key driver of demand.

Diverse product offerings capitalizing on various market segments

Over the years, CPGI has slowly expanded its businesses by slowly shifting into new product offerings, which allows the Company to diversify its revenue base. With the launch of its affordable housing projects and completion of some of its leasing properties, the Company has grown its affordable housing segment revenue contribution to 12% for the six-month period in 2019 from 11% for the year 2018. Additionally, the revenue contribution of its leasing business remained at 4% for the six-month period in 2019.

The Company, through its joint ventures with Mitsubishi Corporation, is expanding rapidly in the affordable housing market. Its current projects located in Tanza, Cavite, Lipa, Batangas, and San Pablo, Laguna, have enjoyed tremendous success, with 61% of its 5,801 units of inventory already pre-sold as of June 30, 2019.

The average price of the homes here is ₱1.2 million, and currently, 90% of its buyers are first time end users, catering to the more than 6 million home backlog per government statistics.

Given the success of the Company in its initial foray into affordable housing, it is using a significant part of the bond proceeds to partially fund land developments of the Company's existing and upcoming projects for its affordable housing segments.

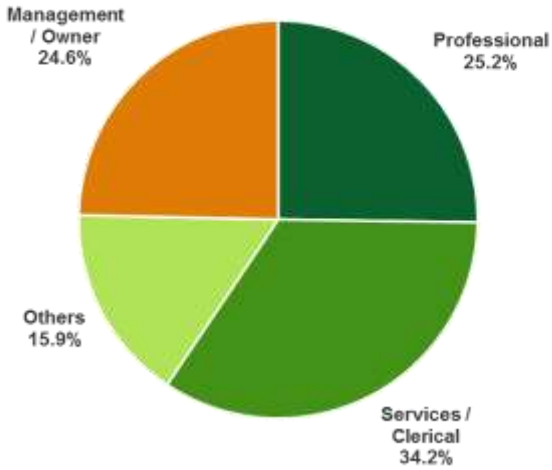
Additionally, the Company is entering into a period wherein it is significantly completing in the near term its leasing asset base.

As of June 2019, the Company had three leasing assets completed – Century City Mall, Centuria Medical Makati and Asian Century Center. These have gross leasable area of 51,305 sq.m. Total revenues from Century City Mall, Centuria Medical Makati amounted to ₱248 million as of June 30, 2019.

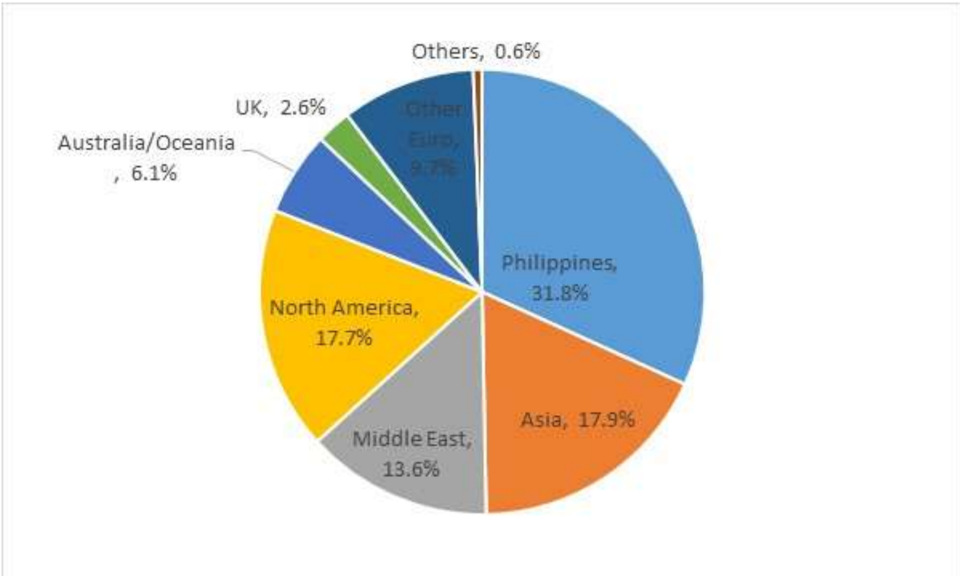
During the fourth quarter of 2018, CPGI has already significantly leased out Asian Century Center, an office development located at Bonifacio Global City, with net leasable sq. m. of 27,087 sq.m, and projected 2019 revenues of ₱373 million. After only 3 months of operations, the project is approximately 70% pre-leased.

Strong International Sales Platform

The Company employs a progressive marketing strategy, which in addition to successfully marketing to domestic buyers, actively targets OFWs and other overseas buyers in over 50 countries, enabling it to derive approximately 70% of its pre-sales from overseas. The company's OFW customer base is largely formed of professionals, management and services/clerical.



Pre-Sales by Region



The Company believes it has an industry-leading overseas sales and marketing presence, consisting of overseas offices, international selling partners, and a network of 661 overseas agents and 27 international brokers. The Company also conducts about 15 international roadshows per month, which directly generate significant pre-sales while also increasing its brand presence. In addition, the Company has an online sales platform, which allows its overseas customers to access their statements and enables its agents to market its projects in real time.

The Company believes that its significant international presence offers several advantages. First, it believes that the overseas market, underpinned by OFW buyers, represents one of the most resilient sources of demand for Philippine real estate. According to the BSP, OFW remittances exhibited steady growth throughout the recent global financial crisis, in part due to the geographical diversification of OFWs. Second, the geographical diversity of the Company's sales similarly decreases its exposure to any single jurisdiction. Third, the average income of the OFW population is higher than that of Philippine residents, allowing the Company to sell its developments at a higher price point. Total OFW remittances in 2018 amounted to US$28.9 billion, 3.2% higher than US$28.01 billion in the same period the previous year. For January to May 2019, total OFW remittances reached US$12.3 billion, an increase of 4.5% from US$11.8 billion in the same period in 2018.

Experienced management team

The Company has an experienced management team that has been with the Company since its founding, with an average of 24 years of operational and management experience in real estate. It has completed projects in all stages of the business cycle, including the Asian financial crisis in the late 1990s. The Company's management team has extensive experience in and in-depth knowledge of the Philippine real estate market and has also developed positive relationships with key market participants, including contractors and suppliers, regulatory agencies and local government officials in the areas where the Company's projects are located.

BUSINESS STRATEGY

The primary elements of the Company's business strategy are the following:

Leverage its industry leading reputation in the high-rise condominium market to develop mid-rise condominium developments

As the Company has completed 23 out of 32 high rise condo buildings, with the remaining nine (9) buildings to be substantially completed in the next two years, the Company will seek to leverage its industry leading reputation in the condominium market not to develop high rise condominiums, but instead foray into mid-rise condominium and town homes projects, with building heights of no more than nine (9)-stories, which shall be less capital intensive, and which will have a quicker cash cycle. It shall seek to also complete these projects within three (3) years, as opposed to the current 5-year construction cycle, in order to reduce carrying costs in general, administrative and interest expenses.

This shall be accomplished through its land bank and joint venture developments in its mixed-use developments in Katipunan, Quezon City, Novaliches, Quezon City and Clark Global City, Pampanga.

Implement expansion outside Metro Manila for affordable housing

CPGI plans to contribute significant resources to assist the backlog of six (6) million homes in affordable housing, which is defined as units between ₱1 million to ₱3 million per housing unit. The income per household for this market is around ₱40,000 to ₱80,000 per month.

It plans to further land bank in key cities outside Metro Manila in Luzon. CPGI is looking at sites that are in the 15HA to 25HA range per site, wherein each development is planned to have around 3,000 units, and a population per site of around 12,000 people. CPGI hopes to acquire three (3) to five (5) sites per year. CPGI hopes that the affordable segment to contribute at least 30% of its net income in the next three (3) years.

To supplement its balance sheet, CPGI has partnered with Mitsubishi Corp for the affordable market, wherein CPGI is a 60% common equity holder, and Mitsubishi Corp is a 40% common equity holder.

Prudent expansion of commercial leasing portfolio to diversify earnings and generate recurring income

In addition to its 119,000 sq.m of leasable space by 2019, wherein the Company plans to generate ₱2 billion of leasing revenue by 2020, the company is seeking to develop more leasing projects once it has further completed its condominium projects that are expected to generate free cash flow. CPGI hopes that the leasing segment to contribute at least 30% of its net income in the next three (3) years.

This shall be accomplished through its land bank and joint venture developments in its mixed-use developments in Makati, Katipunan, Quezon City, Novaliches, Quezon City and Clark Global City, Pampanga.

PROPERTY DEVELOPMENT PROJECTS

As one of the leading real estate developers in the Philippines, CPGI prides itself on providing a wide range of innovative real estate products to its customers. The Company's approach to property development focuses on creating unique real estate properties with the best design, quality and amenities. CPGI identifies the global standard and combines that with its ability to acquire land in prime urban areas to create properties that meet the demands of the Philippine real estate market. It develops properties for several market segments, from luxury residential projects to affordable and mixed-use developments.

Acqua Private Residences

A six-tower master-planned development on a 2.4-hectare at the border of Makati City and Mandaluyong City, Acqua Private Residences has a tropical rainforest-infused design that attempts to combine nature with urban living. The towers are each expected to have views of the Makati City skyline. Acqua's amenities are expected to include a lounge area, juice bar and café, spa, climbing wall, boxing studio, tennis courts, and what is expected to be the first river walk promenade in the Philippines, which will feature restaurants, bars, and designer stores. The six-tower project is targeted at customers in the middle-income segment and is expected to consist of over 3,000 units with a total GFA (with parking) of 227,740 sq.m. upon completion. The Pasig River separates Acqua Private Residences from Makati City, and the property will be accessible from Makati City via a newly constructed bridge from the Pasig River.

Azure Urban Resort Residences

Designed by the award-winning master planning and architectural firm Broadway Malyan, Azure Urban Resort Residences will consist of nine residential buildings on a six-hectare property, with 80% of the land dedicated to open space. The property is the first man-made beach residential development in the Philippines and features a beach club designed by internationally renowned celebrity, Paris Hilton. In addition to the Paris Beach Club, the property's amenities are expected to include a beach volleyball area, Zen garden, lap pool with cascading waterfalls, poolside bar, basketball court, multi-purpose court, THX-certified theater, an open park, playgrounds, and restaurants. The property is located beside the SM

Bicutan mall in Parañaque City. The development targets the affordable housing segment, and is expected to consist of more than 5,000 units and have a total GFA (with parking) of 336,909 sq.m. The nine towers have been completed, namely: Rio, Santorini, St. Tropez, Positano, Maui, Miami, Maldives, Boracay and Bahamas.

The Resort Residences at Azure North

The Resort Residences at Azure North is Century Properties' first development in Pampanga and outside of Metro Manila. This 8-hectare mixed-use development replicates the developer's success with the Azure Urban Resort Residences in Bicutan, Parañaque, through its concept of beachfront living in the city.

With plans for condominium towers, townhouse clusters, office towers, and a retail boardwalk, Azure North is located on the western side of the North Luzon Expressway, close to the existing retail complexes. Each residential cluster will again be named after famous beaches around the world, namely Monaco, Bali and Barbados. In addition to the beach, its water features will include various pools for children and adults. Amid these will be a pool bar, a beach club, a multi-purpose event space, and a centerpiece called the Azure North Island, which will be offered for private events and gatherings.

Century Spire

Launched in 2013, Century Spire is the last of the five residential skyscrapers to rise in Century City, but is the first residential building to bear the Century name. The building's architecture is designed by Daniel Libeskind, the visionary architect behind New York's Ground Zero, while its amenities and common areas will be interior-designed by Armani Casa. The 50-story tower is expected to have a total GFA (inclusive of parking) of 88,914 sq.m. and over 370 residential units for sale. Century Spire will also have 24 floors of office space and 2 floors of retail space, with more than 18,000 sq.m. currently planned for sale and lease.

Century Diamond Tower

Century Properties is also constructing an office building in partnership with Mitsubishi Corporation. The project is situated in a land area of 3,166 sq. meters and will be composed of commercial and IT office units. The entire project will have a total GFA (with parking) of approximately 94,768 sq. m. and a net leasable area of 58,618 sq. m. with 41 physical floors including 11 parking floors (5 basement parking and 6 above ground parking) with 652 slots. The Philippine Economic Zone Authority ("PEZA")-accredited building is slated for completion in 2019. It has a net leasable area of 58,618 sq. m. and follows the core and shell rating system of the Leadership in Energy and Environmental Design ("LEED"). It is designed with the latest building features including the variable refrigerant flow (VRF) air-conditioning system, a building automation system, 100% backup power with redundancy, and fire detection and alarm systems.

The Residences at Commonwealth

It is a 4.4-hectare project of CPGI and its first master-planned residential community development in Quezon City. The eight-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City.

Canyon Ranch

Canyon Ranch Phase 1 and Phase 2

The Canyon Ranch development, located in Carmona, Cavite, is a community south of Manila containing single-family detached homes. This development is a part of the San Lazaro Leisure Park, which includes one of only two operating horse racing tracks in the Philippines.

CPGI acquired the right to develop the land and launched the project in May 2007. The project is a joint venture with the Manila Jockey Club. The development targets middle-income customers and is expected to consist of 929 single detached homes situated on 280,300 sq.m. upon completion. The Canyon Ranch development is a 25-minute drive from Makati City and is highly accessible via the South Luzon Expressway or the Alabang Skyway. The project is close to several shopping destinations, including the Alabang Town Center, Festival Mall, SM Dasmariñas, Pavillion Mall and Robinsons Place Dasmariñas. As of June 2019, 931 houses have already been completed.

Canyon Ranch Moderno (Phase 3)

The Moderno at Canyon Ranch is the expansion and Phase 3 of Canyon Ranch. With 163 homes, it offers an alternative home concept to practical urban families with its uplifting minimalist architecture and green design.

Asian Century Center

The newly-opened office development in Fort Bonifacio, which has been approximately 70% leased out as of December 2018, is CPGI's first venture into the office property segment in Bonifacio Global City. The 21-storey office building, launched in partnership with Asian Carmakers Corporation has a net leasable area of 27,087 sq. m.. Asian Century Center is accredited by the PEZA and meets its strict requirements of 100-percent power backup, provision for high-speed internet and infrastructure, and a building management system.

The tower has been pre-certified for the core and shell rating of LEED, a globally recognized green building and sustainability certification system. Precertification is awarded to projects with achievable sustainable targets that demonstrate the project's commitment to LEED certification. Asian Century Center is working towards a LEED Silver status.

Batulao Artscapes

Batulao Artscapes is Century Properties' first residential tourism community located in Nasugbu, Batangas. Its ArtVenture concept features art and adventure spaces, including a sports park, flavor park, and an art park. As a Livable Art Park, it offers designer homes from Revolution Precrafted. The first nine hectares of the property consists of 500 homes by architect Ed Calma called Polygonal Successions and designer Kenneth Cobonpue's Hedera Home. Batulao Artscapes targets families, weekend adventure seekers, and active retirees with its relatively cool climate, world-class amenities, and proximity to Metro Manila's financial district. It only takes a 1.5 to 2-hour drive from Makati via four access points: through Daang Hari Road towards the scenic Nasugbu-Kaybiang Tunnel, the Star Tollway to Tanauan Exit, the South Luzon Expressway (SLEX), and Cavite Expressway (CAVITEX).

PHirst Park Homes

The first home division and brand name of listed real estate developer Century Properties Group, Inc., unveiled its first development in the municipality of Tanza, Cavite, south of Metro Manila in 2017. The 26-hectare horizontal community is accessible via Governor's Drive, one of the major highways in Cavite, and is about three (3) minutes away from SM City Trece Martires. It also launched PHirst Park Homes Lipa in June 2018 and PHirst Park Homes San Pablo in February 2019. PHirst Park Homes® introduces its superior values through the 4Cs, describing its homes and the entire project as Complete, Conceptive, Connected and Convenient.

LAND BANK

The Company has an aggregate land bank with a site area of 1,665,908 sq.m. CPGI believes that its disciplined land acquisition, usually through joint ventures or installment sales, allows the Company to maintain a higher return on its equity compared to its peers and to have sufficient developable inventory for the next several years.

Below is a table of the Company's current land bank:

Location	**Land size (in sq. m.)**	**Product Class**
Mandaluyong	14,271	Mixed Use with Mid Rise Condo and Leasing Assets
Katipunan, Quezon City	3,064	Mixed Use with Mid Rise Condo and Leasing Assets
Novaliches, Quezon City	573,623	Mixed Use with Mid Rise Condo and Leasing Assets
San Fernando, Pampanga	66,752	Mixed Use with Mid Rise Condo and Leasing Assets
Batulao	444029	Leisure / Tourism
Palawan	564,169	Leisure / Tourism

Total	1,665,908	

Employees

CPGI and its Subsidiaries have 1,521 employees as of June 30, 2019 and 1,703 employees as of December 31, 2018. The Company hired 10 new officers from January to September 2019.

Its employees are primarily engaged in development operations, construction, property management, as well as sales and marketing. CPGI and its Subsidiaries' local and international marketing and distribution network consist of 907 agents as of June 30, 2019 and 2,027 agents as of December 31, 2018. CPGI and its Subsidiaries have entered into an Expense Allocation Agreement to pay the costs of such services and record such costs in general, administrative and selling expenses.

The following table shows the distribution of the Company and its Subsidiaries' employees across its core function areas.

	As of June 30, 2019	As of December 31, 2018
Development operations	443	423
Sales and marketing	51	51
Construction	442	564
Property management	585	665
Total	**1,521**	**1,703**
Agents		
In - house	721	637
Brokers	186	1,390
Total	**907**	**2,027**

In order to fulfill the manpower requirements, the Company subscribes to local and international job portals, job fairs, executive search and advertise job postings in leading newspapers and internet sites. The Company practices equal opportunity employment to all qualified talents in terms of hiring, salary job offers and promotion to hired employees.

CPGI employees are being empowered to take proactive roles with active learning and development plans, regular training opportunities and real career progression to ensure the continuity of the Company's vision.

Managers and staff are also routinely given feedback on their job performance and CPGI takes other steps to ensure the continuous development of its employees.

The total employee remuneration program provided by the Company has been designed to help compete in the marketplace for quality employees and the Company believes that these packages are in line with the industry standard in the Philippines. CPGI shall provide and enhance long term incentive programs such as housing program, employees stock option plan and retirement program. The Company conducts annual performance reviews and rewards employees with annual salary increases if merited. The Company's goal is to position itself as an employer of choice in the Philippines.

The employees are not covered by a collective bargaining agreement and no employee belongs to a labor union. There has been no loss of work due to any labor disputes.

Land Acquisition

The Company sources land for development through joint venture agreements with land owners, or through direct purchases. Direct purchases can either be paid for in cash or on installment basis. The land acquisition process consists of three main steps: identifying, assessing and executing.

Project Design

The project design process involves the planning of the potential project, including determination as to the suitable market segment, master planning, design of property and landscape design. Development timetables vary from project to project, as each project differs in scale and design. Typically, project planning begins after land acquisition and takes at least nine months, during which time CPGI prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase.

Project Development and Construction

Project development and construction involves obtaining the required Government regulatory approvals and executing the Company's plans. Typically, once the Company has completed the project planning phase, it obtains the necessary Government approvals and permits to conduct pre-marketing activities. For residential projects, once the project has received a development permit from the relevant LGU or HLURB, as the case may be, and a permit to sell from the latter, pre-sales of the residential unit can, and initial development work on the project site may commence. Before the site development process can begin, the Company must also obtain clearances from various Government departments, principally the DENR and the DAR, as well as the relevant LGU.

Marketing And Sales

The Company utilizes the group's local and international marketing network and believes it is one of the most active industry players when it comes to sales and marketing. The local and international marketing and distribution network consists of 253 exclusive agents who receive monthly allowances and commissions, 468 commission-based agents and 186 brokers as of June 30, 2019.

The Company's advertising and promotional campaigns include the use of show rooms, print and outdoor advertising, fliers, leaflets and brochures designed specifically for the particular target market. The advertising and promotional campaigns are carefully conceptualized and managed by the Company's Corporate Communications Department.

Sales And Customer Financing

The Company normally conducts pre-selling of its property units prior to both construction and project completion. Customers generally start with the payment of non-refundable, non-transferable pre-sale fee that is valid for 30 calendar days from the date of payment. Within this period, the customer is required to submit the complete post-dated checks covering the monthly amortizations and the final turnover balance.

Notwithstanding certain buyers who opt to pay the purchase price in full and in cash, the Company requires 20% to 50% of the total purchase price to be paid during the construction stage, which is between three to five years. On the turnover date, the buyers would have fully paid the required 20% to 50% of the total purchase price, and would be required to either pay the balance in cash or apply for a bank-financed loan. The Company assists qualified homebuyers in obtaining mortgage financing from government-sponsored mortgage lenders and from commercial banks.

Sales Cancellations

Default and cancellations are subject to a variety of circumstances beyond the Company's control, such as adverse economic and market conditions as well as increase in interest rates.

After Sales Services

The Company provides maintenance services through its subsidiary CPMI on projects that are fully turned over to the owners. The Company believes that CPMI's management of the completed projects increases their asset value.

The Company obtains feedback from the unit owners in order to provide quality home dwelling units in the future and to enhance long-term relationships with them. Finally, the Company has an in-house leasing department to handle the leasing and re-sale needs of its clients.

Insurance

The Company believes that it has sufficient insurance coverage that is required by Philippine regulations for real and personal property. Subject to customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, building and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. The Company is not covered by business interruption insurance.

Competition

The Philippine real estate development industry is highly competitive. CPGI's primary competitors are real estate companies that also focus on developing residential and commercial buildings in the Philippines. The Company believes that customers choose among competing real estate companies based on design, amenities, price, location, developer reputation, quality of finishes, after-sales support services, unit sizes, monthly amortization and financing terms. Century's competitors vary depending on the target market. The main competitors are Ayala Land, Inc., DMCI Homes, Filinvest Land Inc., Megaworld Corp., Robinson Land Corp., Rockwell Land Corporation, and Vista Land & Lifescapes, Inc.

The Company believes that it can effectively compete with other companies in its industry through innovative branding strategies to effectively enhance brand visibility and product appeal while attempting to reinforce credibility as a leading developer in the Philippines. The Company is also developing properties in partnership with global brand names and setting up various marketing offices abroad to cater to foreign customers, Filipinos based abroad and OFW's.

Suppliers

The Company has a broad base of suppliers both local and international. The Company is not dependent on one or limited number of suppliers.

Customers

The Company has a broad market base including local and foreign individual and institutional clients.

Intellectual Property

The Company through its Subsidiaries has several trademarks/trade name and logos registered with the Intellectual Property Office of the Philippines. These trademarks have registration licenses and same are continuously maintained and renewed after such registration anniversary for exclusive use of trademarks, names and logos.

The following are significant trademarks and logos of the Company's Subsidiaries registered which the management protects and secures licenses in updating its rights to use exclusively for its operations:

Century City Development Corporation

Trademark Title	Registration No.	Registration Date	Status
The Knightsbridge Residences at Century	4-2008-002251	07/07/2009	Active
The Gramercy Residences	4-2007-003346	08/13/2007	For renewal of application
Century City Development Corporation	4-2007-003034	08/13/2007	For renewal of application
The Gramercy Residences at Century City	4-2007-003343	08/13/2007	For renewal of application
MOMA the Modern Makati	4-2007-004279	10/29/2007	For renewal of application
Century City	4-2007-003035	08/13/2007	For renewal of application
Century City Mall	4-2013-001793	02/18/2013	Active
Century City Mall	4-2013-001794	07/25/2013	Active

Century Limitless Corporation

Trademark Title	Registration No.	Registration Date	Status
The Sanctuary Cove	4-2009-006601	05/20/2010	Active
Sanctuary Cove (Stylized)	4-2009-006622	05/20/2010	Active
Acqua Private Residences	4-2010-009211	09/15/2011	Active
Acqua Private Residences and Design	4-2010-009212	09/15/2011	Active
The Pebble	4-2011-003766	09/15/2011	Active
Niagara Tower	4-2011-003771	09/15/2011	Active
Sutherland Tower	4-2011-003772	09/15/2011	Active
Dettifoss Tower	4-2011-003770	09/15/2011	Active
Yosemite Tower	4-2011-003767	09/15/2011	Active
Acqua Victoria Tower	4-2011-003768	09/15/2011	Active
Iguazu Tower	4-2011-003769	09/15/2011	Active

The Atlantis Residences	4-2009-004741	11/19/2009	Active
The Atlantis	4-2009-004742	11/19/2009	Active
Azure Urban Resort Residences	4-2009-010680	05/20/2010	Active
Azure Urban Resort Residences with a Rectangle	4-2009-010681	05/20/2010	Active
Azure Urban Resort Residences with a Rectangle Active	4-2009-010682	05/20/2010	Active
Acqua Iguazu Yoo Inspired by Starck	4-2011-014335	12/01/2011	Active
The Residences at Commonwealth by Century and Logo	4-2012-009282	07/27/2012	Active
Nova by Century	4-2013-00009720	08/14/2013	Active
Novacity by Century	4-2013-00009728	08/14/2013	Active
PHirst Park Homes	4-2017-002150	06/22/2017	Active
PHirst	4-2017-002148	06/22/2017	Active
PHirst Park Homes Tanza	4-2017-002149	06/15/2017	Active
Azure	4-2017-009341	06/16/2017	New
Miami	4-2017-009350	06/16/2017	New
Rio	4-2017-009342	06/16/2017	New
Azure North	4-2017-009355	06/16/2017	New
St. Tropez	4-2017-009344	06/16/2017	New
Rio at the Azure	4-2017-009343	06/16/2017	New
The St. Tropez at the Azure	4-2017-009345	06/16/2017	New
The Santorini at the Azure	4-2017-009346	06/16/2017	New
Positano at the Azure	4-2017-009347	06/16/2017	New
Maui	4-2017-009348	06/16/2017	New
Maui at the Azure	4-2017-009349	06/16/2017	New
The Miami at the Azure	4-2017-009351	06/16/2017	New
The Maldives at the Azure	4-2017-009352	06/16/2017	New
Bahamas at the Azure	4-2017-009353	06/16/2017	New
Boracay at the Azure	4-2017-009354	06/16/2017	New
Barbados at Azure North	4-2017-009356	06/16/2017	New
Monaco at Azure North	4-2017-009357	06/16/2017	New
Bali at Azure North	4-2017-009358	06/16/2017	New
Batulao Artscapes	4-2017-009367	06/16/2017	New
Batulao Artscapes	4-2017-009368	06/16/2017	New
Artventure	4-2017-011921	07/28/2017	New
Artscapes	4-2017-011920	07/28/2017	New
Co. Dorms	4-2018-002012	02/02/2018	New
Co. Livingspaces	4-2018-002013	02/02/2018	New
Co.	4-2018-002014	02/02/2018	New
Co. Spaces	4-2018-002015	02/02/2018	New
Prima	4-2018-002016	02/02/2018	New

Prima Villahome	4-2018-002017	02/02/2018	New
Prima Townvilla	4-2018-002018	02/02/2018	New
Prima Resorthome	4-2018-002019	02/02/2018	New

Century Communities Corporation

Trademark Title	Registration No.	Registration Date	Status
Century Communities and Device	4-2007-003036	08/13/2007	For renewal of application
Mt. Batulao by Century	4-2015-001992	11/05/2015	Active

Century Destinations and Lifestyle Corp.

Trademark Title	Registration No.	Registration Date	Status
Narra Hotels & Resorts and Logo	4-2014-006411	05/21/2014	Active
Crib by Narra and Design	4-2014-006413	05/21/2014	Active
Crib Hotels	4-2014-006412	05/21/2014	Active

Century Properties Group, Inc.

Trademark Title	Registration No.	Registration Date	Status
Cape San Vicente	4-2015-001994	02/24/2015	Active
A Censo Homes	4-2015-001995	02/24/2015	Active
Censo Homes	4-2015-001993	02/24/2015	Active

Government Approvals/Regulations

The Company secures various government approvals such as the ECC, development permits, licenses to sell, etc. as part of the normal course of its business.

The Company has no principal product that has pending government approval as of June 30, 2019.

As of June 30, 2019, the Company is not aware of any existing or probable governmental regulations that will have an impact on the Company's operations.

MATERIAL AGREEMENTS

The Company and its Subsidiaries, in the ordinary course of its trade and business, have executed material agreements for land acquisition, service agreements and licensing agreements with global brands it has partnered with, and insurance contracts.

Likewise, the Company and its Subsidiaries execute standard contracts to sell for the sale of its condominium units, which is the repository of the provisions that govern the relationship and the rights and obligations of the parties until the execution of the deed of absolute sale. A standard deed of absolute sale for the sale of the condominium units is executed upon full payment of all installments due for the purchase of the unit.

DESCRIPTION OF PROPERTIES

The following is a list of properties owned by the Company and its Subsidiaries as of [•]. The list excludes condominium titles under the development projects which have been completed although titles are still under the Subsidiaries' names as payments thereof have not yet been completed by the buyers. The list likewise excludes properties which are covered by joint venture agreements and properties still subject to contracts to sell, the titles of which have not been transferred in the name of the Company or Subsidiary upon full payment of the contract price. In pursuit of its trade and business, the Company and its Subsidiaries have entered into various mortgage agreements covering its properties in favor of financial institutions for the purposes of securing development loans.

The Company and its Subsidiaries do not lease any land for development. It leases its office located at Pacific Star Building in Makati City.

CENTURY CITY	**OWNER'S NAME**	**(TCT NOS.)**	**ADDRESS**	**DESCRIPTION AND USE**
DIAMOND (FORBES)	CENTURY CITY DEVELOPMENT CORP.	TCT NO. 224334	Valdez St.	Retail / Residential
SPIRE	CENTURY CITY DEVELOPMENT CORP.	TCT NO. 224336	Gen. Luna St.	Retail / Residential
CENTURY CITY MALL	CENTURY CITY DEVELOPMENT CORP.	TCT NO. 224337	Kalayaan Ave.	Commercial
CLC – ACQUA	**OWNER'S NAME**	**(TCT NOS.)**	**ADDRESS**	**DESCRIPTION AND USE**
IGUAZU	CENTURY LIMITLESS CORPORATION	TCT NO. 008-2011001018	Brgy. Hulo, Mandaluyong	Residential
YOSEMITE	CENTURY LIMITLESS CORPORATION	TCT NO. 008-2011000715	Brgy. Hulo, Mandaluyong	Residential
CLC – AZURE	**OWNER'S NAME**	**(TCT NOS.)**	**ADDRESS**	**DESCRIPTION AND USE**
BAHAMAS	COLUMBIAN MOTORS CORP.	TCT NO. 010-2013003875	BRGY. LA HUERTA, PARAÑAQUE CITY	Retail / Residential
CLC – AZURE NORTH	**OWNER'S NAME**	**(TCT NOS.)**	**ADDRESS**	**DESCRIPTION AND USE**
MONACO	CENTURY LIMITLESS CORPORATION	TCT NO. 042-2018009772	BRGY. SAN JOSE, SAN FERNANDO CITY, PAMPANGA	Retail / Residential
BALI	CENTURY LIMITLESS CORPORATION	TCT NO. 042-2018009773	BRGY. SAN JOSE, SAN FERNANDO CITY, PAMPANGA	Retail / Residential
BARBADOS	HOUSE OF DAVID REALTY & DEVELOPMENT CORP.	TCT NO. 042-2017014284	BRGY. SAN JOSE, SAN FERNANDO CITY, PAMPANGA	
CLC – ACQUA	**OWNER'S NAME**	**(TCT NOS.)**	**ADDRESS**	**DESCRIPTION AND USE**
OSMEÑA EAST	CENTURY LIMITLESS CORPORATION	TCT NO. 004-2017010835	MATANDANG BALARA, QUEZON CITY	Residential
ROXAS WEST	CENTURY LIMITLESS CORPORATION	TCT NO. 004-2017010836	MATANDANG BALARA, QUEZON CITY	Residential

QUIRINO WEST	CENTURY LIMITLESS CORPORATION	TCT NO. 004-2017010841	MATANDANG BALARA, QUEZON CITY	Residential
QUIRINO EAST	CENTURY LIMITLESS CORPORATION	TCT NO. 004-2017010839	MATANDANG BALARA, QUEZON CITY	Residential
QUEZON SOUTH	CENTURY LIMITLESS CORPORATION	TCT NO. 004-2017010838	MATANDANG BALARA, QUEZON CITY	Residential

The cost value of office, computers, furniture and fixture, transportation, and other equipment is ₱1,786.63 million, with a net book value of ₱1,319.0 million as of June 30, 2019. The cost value of construction equipment is ₱251.5 million, and were fully depreciated as of June 30, 2019. The total cost value of equipment owned by the Company and its Subsidiaries as of June 30, 2019 is ₱2,038.13 million, with a net book value of ₱1,570.50 million as of June 30, 2018.

The following is a schedule of equipment owned by the Company and its Subsidiaries as of June 30, 2019.

Company	**Construction Equipment**		**Office & Other Equipment**		**Consolidated**	
(in Million Pesos)	**Cost**	**Net Book Value**	**Cost**	**Net Book Value**	**Cost**	**Net Book Value**
Century City Development Corporation	₱127.44	₱-	₱78.61	₱17.49	₱206.05	₱17.49
Century Limitless Corporation	107.28	-	1,550.17	1,511.34	1,659.09	1,511.31
Milano Development Corporation	11.72	-	0.19	-	11.91	-
Centuria Medical Development Corporation	5.06	-	4.50	1.01	9.56	1.01
Century Communities Corp	-	-	12.24	-	12.24	-
Century Properties Management Inc.	-	-	42.38	5.58	42.38	5.58
Century Properties Group Inc.	-	-	38.40	0.29	38.40	0.29
Siglo Suites, Inc.	-	-	21.60	13.01	21.60	13.01
Tanza Properties, Inc.	-	-	36.90	21.79	36.90	21.79
Total	**₱251.50**	**₱-**	**₱1,784.99**	**₱1,570.51**	**₱2,038.13**	**₱1,570.49**

REGULATORY AND ENVIRONMENTAL MATTERS

LAW ON HOUSING AND LAND PROJECTS

Presidential Decree No. 957: The Subdivision and Condominium Buyer's Protective Decree

Presidential Decree No. 957 is the principal statute which regulates the development and sale of real property as part of a condominium project. It was enacted pursuant to the policy of the state to ensure that real estate subdivision owners, developers, operators, and/or sellers provide and properly maintain roads, drainage, sewerage, water systems, lightning systems and other similar basic requirements in order to guarantee the health and safety of home and lot buyers.

B.P. 220: An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six, and Eleven Hundred Eighty-Five

B.P. 220 and its Implementing Rules and Regulations ("Act-IRR") apply to the development of economic and socialized housing projects in urban and rural areas. Likewise, they apply to the development of either a house and lot or a house or lot only.

Executive Order No. 71, *Series of 1993*

Under *Executive Order No. 71*, *Series of 1993*, cities and municipalities assume the powers of the HLURB over the following:

a) approval of preliminary as well as final subdivision schemes and development plans of all subdivisions, residential, commercial, industrial, and for other purposes;
b) approval of preliminary as well as final subdivision schemes and development plans of all economic and socialized housing projects;
c) evaluation and resolution of opposition against issuance of development permits for any of said projects; and
d) monitoring the nature and progress of its approved land development projects to ensure their faithfulness to the approved plans and specifications.

Republic Act No. 7279: Urban Development and Housing Act of 1992

Republic Act No. 7279, as amended recently by Republic Act No. 10884, or the Urban Development and Housing Act of 1992, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development.

Republic Act No. 9646: Real Estate Service Act

Real estate dealers, brokers and salesmen are also required to register with HLURB before they can sell lots or units in a registered subdivision or condominium project. Furthermore, no person shall practice or offer to practice real estate service in the Philippines unless he/she has satisfactorily passed the licensure examination given by the Professional Regulatory Board of Real Estate Service.

Republic Act No. 4726: The Condominium Act

Republic Act No. 4726 likewise regulates the development and sale of condominium projects.

R.A No. 4726 requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project. The declaration of restrictions shall constitute a lien upon each condominium unit in the project, and shall insure to and bind all condominium owners in the project. Such liens, unless otherwise provided, may be enforced by any condominium owner in the project or by the management body of such project.

Republic Act No. 11201: Department of Human Settlements and Urban Development Act

Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act was signed by the President on 14 February 2019. The Implementing Riled and Regulations of the Act was approved on 19 July 2019. This Act created DHSUD through the consolidation of HUDCC and HLURB, simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission ("HSAC"). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HL URB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development;

2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:

    a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;
    b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and
    c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and

3. Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the

policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by he DHSUD or the HSAC, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

The transition period shall commence upon the effectivity of the Implementing Rules and Regulations and shall end on 31 December 2019. Thereafter, the Act shall be in full force and effect.

BUILDING PERMITS

Presidential Decree No. 1096 or the National Building Code

Under the Building Code, in order for a person or corporation to erect, construct, alter, repair, move, convert, or demolish any building or structure, a building permit must first be secured from the Building Official assigned at the place where the building work is to be done. A building permit is a written authorization granted by the building official to an applicant allowing him to proceed with the construction of a building after plans, specifications and other pertinent documents required for the construction of the structure have been found to be in conformity with the Building Code.

BUSINESS PERMITS

Before any company may commence operations in the territory of an LGU, it must secure the permits, clearances and licenses from such LGU. Usually, it is assumed that a corporation has complied with all of the permitting requirements of the LGU if it is issued a business permit (also referred to as a mayor’s permit in certain jurisdictions). These permits, clearances and licenses must be renewed on an annual basis.

Without these permits, clearances or licenses, the LGU may shut down the operations of a business establishment until these are obtained and the corresponding fees and penalties are settled.

ZONING AND LAND USE

Republic Act No. 7160: Local Government Code of the Philippines

A city or municipality may, through an ordinance passed by the *Sanggunian*, after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (i) when the land ceases to be economically feasible and sound for agriculture or (ii) where the land shall have substantially greater economic value for residential, commercial or industrial purposes, as determined by the *Sanggunian* concerned; provided that such reclassification shall be limited to the following percentage of total agricultural land area at the time of the passage of the ordinance:

1. For Highly Urbanized and Independent Component Cities, fifteen percent (15%);

2. For Component Cities and First to Third Class Municipalities, ten percent (10%);

3. For Fourth to Sixth Class Municipalities, five percent (5%).

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1998

Under the Comprehensive Agrarian Reform Law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain ECC prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the Issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The ECC is a Government certification, which provides that based on the representations of the proponent, the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

While a development project may not fall under the categories wherein an ECC is required, it is still required to obtain a Certificate of Non-Coverage from the EMB or the DENR Regional Office. The applicant must submit a Project Description to the EMB, which will then evaluate whether or not an ECC is required for the project. If an ECC is not required, then the EMB will issue a CNC to be submitted to HLURB.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the Building Code. Aside from the building permit under the Building Code, an applicant in specific instances may be required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

PROPERTY REGISTRATION AND NATIONALITY RESTRICTIONS

Presidential Decree No. 1529 ("P.D. 1529"): Property Registration Decree

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. P.D. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

NATIONALITY RESTRICTIONS

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least sixty percent (60%) owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%).

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991, and the Eleventh Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the

Philippine Constitution, ownership of private lands is partly nationalized and thus, landholding companies may only have a maximum of forty percent (40%) foreign equity.

REAL PROPERTY TAXATION

Republic Act No. 7160: Local Government Code of the Philippines

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at twenty percent (20%) to fifty percent (50%) of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at forty percent (40%) to eighty percent (80%) of its fair market value. Real property taxes may not exceed two percent (2%) of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of one percent (1%) of the assessed value of the property is also levied annually.

REAL ESTATE SALES ON INSTALLMENTS

Republic Act No. 6552: Maceda Law

The Maceda Law applies to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units, but excluding industrial lots, commercial buildings and sales under the agrarian reform laws).

Under the Maceda Law, where a buyer of real estate has paid at least two (2) years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments: (a) To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any (b) if the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty percent (50%) of the total payments made, and in cases where five years of installments have been paid, an additional five percent (5%) every year (but with a total not to exceed ninety percent (90%) of the total payments), or (c) buyers who have paid less than two years of installments are given a sixty (60)-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund. If a buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act from the seller.

CONSTRUCTION LICENSE

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In applying for and granting such license, PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

BOARD OF INVESTMENTS

The Board of Investments ("BOI"), an agency attached to the Department of Trade and Industry, was created under the Omnibus Investment Code of 1987 (Executive Order No. 226, as amended). The BOI is responsible for promoting and assisting local and foreign investors to venture in desirable areas of business or economic activities.

Under the Omnibus Investment Code, preferred areas of activities or projects specified by the BOI in the Investment Priorities Plan enjoy tax exemption and other benefits to enterprises which venture into such projects. Generally, these incentives include the grant of income tax holiday, the duty-free importation of capital goods, exemption from wharfage dues and export tax, and other non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

Depending on whether the activity is classified as a pioneer or a non-pioneer project and provided the registered enterprise meets the project targets, the income tax holiday incentive may be granted for a period of four (4) years to a maximum of six (6) years. However, for eligible mass housing projects in the National Capital Region, Metro Cebu and Metro Davao region, the BOI limits the Income Tax Holiday incentive granted to such registered project to three years.

Based on the latest BOI guidelines, economic and low-cost housing projects must meet the following criteria to qualify for registration: (a) the selling price of each housing unit shall be more than Four Hundred Fifty Thousand Pesos (₱450,000.00) but not exceeding Three Million Pesos (₱3,000,000.00), (b) the project must have a minimum of twenty (20) livable dwelling units in a single site or building, (c) the project must be new or expanding economic/low-cost housing project, (d) for vertical housing projects, at least fifty one percent (51%) of the total floor area, excluding common facilities and parking areas, must be devoted to housing units.

All economic/low-cost housing projects are required to comply with socialized housing requirement by building socialized housing units in an area equivalent to at least twenty percent (20%) of the total registered project area or total BOI registered project cost for horizontal housing and twenty percent (20%) of the total floor area of qualified saleable housing units for vertical housing projects.

SPECIAL ECONOMIC ZONE

The PEZA is the government agency that operates, administers and manages designated special economic zones. An Ecozone is a comprehensive land use plan generally created by proclamation of the President of the Philippines. These are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Enterprises offering IT services (such as call centers and other Business Process Outsourcing firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructure and support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside of Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board and the DENR.

Certain properties of the Company are proclaimed Ecozones. Tenants in those properties may register with PEZA to avail of significant benefits under RA 7916 and its Implementing Rules and Regulations. They can, for example, take advantage of income tax incentives such as income tax holidays or five percent (5%) gross income taxation, thereby making tenancy in our buildings located in Ecozones potentially more attractive.

COMPETITION

Republic Act No. 10667: The Philippine Competition Act

R.A. No. 10667 or PCA with its implementing rules and regulations ("IRR"), is the primary competition policy of the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

Recognizing that joint ventures can result in business efficiencies, the PCC issued Guidelines on Notification of Joint Ventures ("JV Guidelines") on 9 September 2018 as joint venture agreements may pose competition concerns as these may result in a substantial lessening of competition in a relevant market. Under the JV Guidelines, joint ventures may be formed by any of the following: (i) incorporating a joint venture company; (ii) entering into a contractual joint venture; or (iii) acquiring shares in an existing corporation. In determining whether the transaction is subject to PCC notification, it must be examined if joint control will exist between or among the joint venture partners. In the absence of joint control, the relevant thresholds for acquisition of shares shall be applied.

DATA PRIVACY LAWS

Republic Act No. 10173: Data Privacy Act

The Philippines government enacted legislation with the aim to protect the fundamental human right to privacy while ensuring the free flow of information. Republic Act No. 10173, or the "Data Privacy Act of 2012," applies to processing of all types of information, whether that be of individuals or legal entities, except for publicly available information, or those required for public functions. The law provides that when an entity collects personal data, the purpose and extent of processing of such information collected must be legitimate and declared specifically to the owner of the personal information (i.e. whether such information will be used for marketing, data-sharing and the like), and that consent must be obtained from the owner. This requirement applies to all data collectors and data processors. The term data collectors refers to a natural or juridical person who controls or supervises the person collecting, storing, or processing the relevant personal information, while the term data processors refers to a natural or juridical person who processes the information, whether or not outsourced by the data collector.

Personal information that is collected must be retained only for a reasonable period of time. Such a reasonable period of time is the reasonable amount of time the collector needs the information for its purposes, and the collector must notify the owner of the personal information of that duration. The data collector must implement appropriate measures for the storage and protection of the collected personal information from accidental alteration, destruction, disclosure and unlawful processing. Furthermore, the data controller must assign compliance officer(s) to ensure compliance with the provisions of the data privacy law and its accompanying implementing rules and regulations.

LEGAL PROCEEDINGS

From time to time, the Company and its Subsidiaries, its Board of Directors and Key Officers are subject to various civil, criminal and administrative lawsuits and other legal actions arising in the ordinary course of its business. Typical cases include adverse claims over title to land, claims for recovery of money and damages and claims for cancellations of sales agreements and refund of deposits. In the opinion of the Company's management, as of the date of this Preliminary Prospectus, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The shares of the Company consist solely of common shares, which are presently being traded in the PSE, Inc. The high, low and close prices for the shares of the Company for each quarter within the last three (3) fiscal years are as follows:

(in ₱)	2019			2018			2017			2016		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
First quarter	0.56	0.43	0.53	0.49	0.42	0.44	0.62	0.49	0.49	0.61	0.40	0.55
Second quarter	0.64	0.49	0.61	0.53	0.42	0.44	0.59	0.49	0.55	0.60	0.49	0.51
Third quarter	0.67	0.52	0.55	0.48	0.43	0.45	0.69	0.49	0.52	0.78	0.50	0.58
Fourth quarter				0.45	0.38	0.43	0.54	0.46	0.49	0.75	0.51	0.55

The closing price of the Company's shares of stock as October 2, 2019 is ₱0.55 per share.

STOCKHOLDERS

The number of shareholders of the Company of record as of [•] was [•]. As of June 30, 2019, the Company has Eleven billion five hundred ninety nine million six hundred thousand six hundred ninety (11,599,600,690) issued and outstanding common shares, with total paid-up capital of Two billion six hundred thirty nine million seven hundred forty two thousand one hundred forty one Pesos (₱2,639,742,141).

The top 20 stockholders as of June 30, 2019 are as follows:

Name	Number of Shares Held	% to Total
1. Century Properties Inc.	5,612,370,679	47.970
2. PCD Nominee Corporation (Filipino)	4,627,215,516	39.550
3. Ricardo P. Cuerva	214,995,168	1.838
4. Jaimie Marie C. Cuerva	214,995,160	1.838
5. Lourdes C. Cuerva	214,995,160	1.838
6. Ma. Cristina Louise C. Cuerva	214,995,160	1.838
7. Ricardo C. Cuerva	214,995,160	1.838

8.	PCD Nominee Corporation (Non-Filipino)	196,482,347	1.679
9.	Triventures Construction & Management Corp.	119,441,756	1.021
10.	F. Yap Securities Inc.	43,183,755	0.369
11.	Ernesto B. Lim	12,669,508	0.108
12.	Qui Nini	6,800,000	0.058
13.	Pedro Rizaldy Alarcon	1,000,000	0.009
14.	Goh Way Siong	1,000,000	0.009
15.	Antonio A. Inductivo	723,959	0.006
16.	Victor S. Chiongbian	688,732	0.006
17.	Vicente Goquiolay & Co., Inc.	395,288	0.003
18.	Magdaleno B. Delmar, Jr.	361,458	0.003
19.	Crisanto L. Dapigran	217,000	0.002
20.	Pacifico B. Tacub	150,661	0.001

Under Article 6 of the Company's AOI, all shareholders have been denied their pre-emptive right to subscribe, purchase or take any part of any stock of the Company.

FOREIGN EQUITY HOLDERS

As of 30 June 2019, the percentage of the total outstanding capital stock of the Company held by foreigners is 1.746%.

Class of Shares	Total Outstanding Shares	Local Shares	Foreign Shares
Common Shares	11,599,600,690	11,411,722,737	204,282,648
Percentage Holdings		98.25%	1.75%

CPGI'S DIVIDENDS AND DIVIDEND POLICY

The Company declares dividends yearly, either through Cash or Stock, to shareholders of record, which are paid from the Company's unrestricted retained earnings.

Below is the summary of CPGI's dividend declaration for fiscal year 2016 until 2018.

Cash Dividends				
Fiscal Year	**Total Amount of Dividends**	**Amount of dividends per share**	**Date of Declaration**	**Date of Payment**
2015	₱205,022,943	0.0177 per share	June 22, 2016	July 20, 2016
2016	₱205,065,834	0.0177 per share	May 22, 2017	June 19, 2017
2017	₱200,000,000	0.0172 per share	June 8, 2018	July 6, 2018

2018	₱137,919,252	0.01189 per share	June 24, 2019	July 23, 2019

CPGI intends to maintain an annual cash dividend payment ratio for the issued and outstanding common shares of the Company of approximately 10% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations, availability of unrestricted retained earnings and the absence of circumstances which may restrict the payment of such dividends.

CPGI's net income for fiscal year 2014 was ₱2,141.03 million (excluding non-controlling interests), and it paid dividends of ₱201.2 million to its stockholders in July of 2015. CPGI's net income for fiscal year 2015 was ₱1,530.6 million, and it paid dividends of ₱205.0 million to its stockholders in July of 2016. CPGI's net income for fiscal year 2016 was ₱727.1 million, and it paid dividends of ₱205.1 million to its stockholders in June of 2017. CPGI's net income for fiscal year 2017 was ₱650 million, and it paid dividends of ₱200 million to its stockholders in June of 2018. CPGI's net income for fiscal year 2018 was ₱1,118 million, and it paid dividends of ₱137 million to its stockholders in June of 2019.

The subsidiaries do not have a stated dividend policy. CCDC declared dividends to CPGI of ₱200 million in 2014, nil in 2015 and 2016, ₱100 million in 2017 and ₱201 million in 2018. CLC declared dividends to CPGI of ₱300 million in 2014, ₱300 million in 2015 and ₱300 million in 2016, ₱700 million in 2017 and ₱700 million in 2018. Each subsidiary ensures that on aggregate, the subsidiaries adhere to CPGI's dividend policy of distributing at least 10% of CPGI's prior year's net income.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim condensed consolidated financial statements as of June 30, 2019 and its audited consolidated financial statements as of December 31, 2018, 2017, and 2016. This should be read in conjunction with the interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Preliminary Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting", and were reviewed by SGV & Co., in accordance with PSRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the PFRS and were audited by SGV & Co., in accordance with PSA.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In Million Pesos (₱)	**For the six months ended June 30 (Unaudited)**		**For the years ended December 31 (Audited)**		
	2019	**2018**	**2018**	**2017**	**2016**
Revenue					
Real estate sales	5,415	3,755	9,577	5,346	4,968
Leasing revenue	248	193	407	342	338
Property management fee and other services	175	180	395	353	302
Interest income from accretion	208	199	322	665	656
Interest and other income	310	364	569	801	767
Gain on change in fair value of investment properties	117	18	377	286	348
Gain (loss) on change in fair value of derivative asset	(97)	151	116	(36)	(108)
Share in net earnings of joint ventures and associate	11	6	12	-	-
Total Revenue	**6,388**	**4,866**	**11,776**	**7,757**	**7,272**
Cost and Expenses					
Cost of real estate sales	3,480	2,101	5,655	2,806	2,901
Cost of Leasing	107	92	228	238	267
Cost of services	149	139	277	271	238
General, administrative and selling expenses	1,461	1,579	3,255	2,964	2,620
Interest and other financing charges	255	248	594	403	190
Unrealized foreign exchange loss	(66)	195	145	54	77
Total Cost and Expenses	**5,386**	**4,355**	**10,154**	**6,736**	**6,293**

Income Before Tax	**1,002**	**510**	**1,622**	**1,021**	**979**
Provision for Income Tax	**230**	**86**	**504**	**371**	**252**
Net Income	**772**	**423**	**1,118**	**650**	**727**
Other Comprehensive Income					
Unrealized gain (loss) on available-for-sale financial assets	0	0	(31)	26	-
Remeasurement Loss on Defined Benefit Plan	-	-	0	(0)	0
Total Comprehensive Income	**772**	**423**	**1,087**	**676**	**727**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In Million Pesos (₱)	**June 30, 2019 (Unaudited)**	**December 31, 2018 (Audited)**	**December 31, 2017 (Audited)**	**December 31, 2016 (Audited)**
ASSETS				
Current Assets				
Cash and cash equivalents	4,411	1,950	1,400	3,343
Receivables	5,767	2,047	7,541	6,742
Contract Assets	5,016	6,827	-	-
Real estate inventories	16,630	17,257	15,846	13,943
Due from related parties	418	394	491	533
Advances to suppliers and contractors	2,673	2,236	1,964	1,992
Prepayments and other current assets	1,434	1,284	1,009	1,303
Total Current Assets	**36,348**	**31,997**	**28,252**	**27,856**
Noncurrent Assets				
Noncurrent contract assets	991	1,895	-	-
Real estate receivables - net of current portion	-	-	2,442	4,666
Investment in and advances to joint venture	259	248	235	394
Deposits for purchased land	1,125	1,189	1,370	1,170
Investment properties	12,335	11,382	7,760	5,940
Property and equipment	1,592	1,274	1,069	486
Deferred tax assets - net	38	62	104	160
Other noncurrent assets	1,193	1,321	1,325	637
Total Noncurrent Assets	**17,532**	**17,370**	**14,304**	**13,453**
TOTAL ASSETS	**53,880**	**49,367**	**42,556**	**41,309**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	6,198	4,990	3,832	4,011
Contract liabilities	3,046	2,294	-	-
Customers' deposits	-	-	2,759	2,360
Short-term debt	2,059	2,207	1,416	506
Current portion of long-term debt	7,876	5,389	3,099	2,010
Current portion of bonds payable	1,394	-	-	-
Current portion of liability for purchased land	67	67	67	67
Current portion of lease liability	15	-	-	-
Due to related parties	99	99	48	326
Income tax payable	10	5	3	8
Total Current Liabilities	**20,764**	**15,050**	**11,225**	**9,288**

In Million Pesos (₱)	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2016 (Audited)
Noncurrent Liabilities				
Long-term debt – net of current portion	7,720	11,645	10,083	10,482
Bonds payable – net of current portion	3,045	1,506	1,501	2,679
Liability for purchased land – net of current portion	323	302	381	454
Lease liability – net of current portion	7	-	-	-
Pension liabilities	256	251	235	237
Deferred tax liabilities - net	2,457	2,525	2,451	2,553
Other noncurrent liabilities	762	625	423	270
Total Noncurrent Liabilities	**14,572**	**16,853**	**15,075**	**16,674**
Total Liabilities	**35,336**	**31,903**	**26,300**	**25,962**
Equity				
Capital stock	6,201	6,201	6,201	6,201
Additional paid-in capital	2,640	2,640	2,640	2,640
Treasury shares	(110)	(110)	(110)	(110)
Other components of equity	99	99	99	59
Retained earnings	8,173	7,590	6,923	6,498
Remeasurement Loss on Defined Benefit Plan	(66)	(66)	(35)	(61)
Total equity attributable to Parent Company	**16,937**	**16,354**	**15,718**	**15,227**
Non-controlling interests	**1,608**	**1,109**	**537**	**120**
Total Equity	**18,545**	**17,463**	**16,256**	**15,346**
TOTAL LIABILITIES AND EQUITY	**53,880**	**49,367**	**42,556**	**41,309**

CONSOLIDATED STATEMENTS OF CASH FLOW

In Million Pesos (₱)	For the nine months ended June 30 (Reviewed)		For the years ended December 31 (Audited)		
	2019	2018	2018	2017	2016
Net cash used in operating activities	1,373	(1,328)	(2,156)	(184)	176
Net cash provided by (used in) investing activities	(952)	(1,114)	(2,277)	(2,233)	(925)
Net cash provided by (used in) financing activities	2,040	2,897	4,983	474	2,084

Net increase (decrease) in cash and cash equivalents	**2,461**	**455**	**550**	**(1,943)**	**1,335**
Cash and cash equivalents at beginning of period	1,950	1,400	1,400	3,343	2,008
Cash and cash equivalents at end of period	**4,411**	**1,855**	**1,950**	**1,400**	**3,343**

SEGMENT REVENUE AND NIAT

June 2019	CLC	CCC	CPMI	CCDC	CDLC	PPHI	CPGI & Eliminating Entries	CPGI Consolidated
Revenue	3,686	7	208	1,859	-	286	-	6,046
Net Income	841	(3)	10	74	(1)	(4)	(145)	772

June 2018	CLC	CCC	CPMI	CCDC	CDLC	PPHI	CPGI & Eliminating Entries	CPGI Consolidated
Revenue	2,668	-	180	1,479	-	-	-	4,326
Net Income	195	(3)	9	366	(9)	-	(135)	423

FY 2018	CLC	CCC	CPMI	CCDC	CDLC	PPHI	CPGI & Eliminating Entries	CPGI Consolidated
Revenue	7,462	15	395	2,696	-	134	-	10,702
Net Income	993	(5)	12	215	-	(30)	(67)	1,118

FY 2017	CLC	CCC	CPMI	CCDC	CDLC	PPHI	CPGI & Eliminating Entries	CPGI Consolidated
Revenue	4,288	-	353	1,400	-	-	-	6,041
Net Income	656	(20)	2	193	-	-	(181)	650

FY 2016	CLC	CCC	CPMI	CCDC	CDLC	PPHI	CPGI & Eliminating Entries	CPGI Consolidated
Revenue	3,429	32	302	1,845	-	-	-	5,608
Net Income	504	2	9	686	-	-	(475)	727

(1) Includes CPGI's separate revenue and net income, aside from that of its subsidiaries. Also, includes intercompany revenue and expense eliminating entries for consolidation.

FINANCIAL RATIOS

As indicated (in ₱ Mn unless otherwise stated)	For the six months ended June 30 (Unaudited)		For the years ended December 31 (Audited)		
	2019	**2018**	**2018**	**2017**	**2016**
Net income attributable to the owners of the parent company	721	366	986	630	727
Weighted average number of shares	11,600	11,600	11,600	11,600	11,600
EPS, basic / diluted (₱)	0.062	0.032	0.085	0.054	0.063
Return on Asset (ROA)					
Total net income after tax	1,545	846	1,118	650	727
Total asset current year	53,880	47,082	49,367	42,556	41,309
Total asset prior year	49,367	42,556	42,556	41,309	37,478
Average total asset	51,623	44,819	45,961	41,932	39,393
ROA (%)	**3.0%**	**1.9%**	**2.4%**	**1.5%**	**1.8%**
Return on Equity (ROE)					
Total net income after tax	1,545	846	1,118	650	727
Total equity current year	18,545	16,466	17,463	16,256	15,346
Total equity prior year	17,463	16,256	16,256	15,346	14,634
Average total equity	18,004	16,361	16,860	15,801	14,990
ROE (%)	**8.6%**	**5.2%**	**6.6%**	**4.1%**	**4.8%**
Interest coverage ratio					
Total net income after tax	772	423	1,118	650	727
Add: Provision for income tax	230	86	504	371	252
Add: Interest expense	255	248	414	287	102
EBIT	1,257	758	2,036	1,308	1,081
Interest expense	255	248	414	287	102
Interest coverage ratio (x)	**4.93**	**3.05**	**4.92**	**4.56**	**10.60**
Debt service coverage ratio					
Total Debt Service excluding sale of receivables with recourse and refinancing	3,369	5,021	4,211	5,141	4,372
Add: Cash and cash equivalents	4,409	1,855	1,950	1,400	3,343
Cash Before Debt Service	7,778	6,876	6,161	6,541	7,715
Divide: Debt service	3,369	5,021	4,211	5,141	4,372
Debt service coverage ratio (x)	**2.31**	**1.37**	**1.46**	**1.27**	**1.76**
	For the six months ended June 30 (Unaudited)		**For the years ended December 31 (Audited)**		
	2019	**2018**	**2018**	**2017**	**2016**
Current ratio					
Current Assets	36,348	31,866	31,997	28,252	27,856

Current Liabilities	20,764	13,703	15,050	11,225	9,288
Current ratio (x)	**1.8**	**2.3**	**2.1**	**2.5**	**3.0**
Debt to equity ratio					
Short term debt	2,059	1,488	2,207	1,416	506
Current portion of long-term debt	7,876	4,270	5,389	3,099	2,010
Current portion of bonds payable	1,394	-	-	-	-
Long-term debt – net of current Portion	7,720	11,873	11,645	10,083	10,482
Bonds payable – net of current	3,045	1,501	1,506	1,501	2,679
Debt	22,094	19,132	20,747	16,100	15,677
Equity	18,545	16,466	17,463	16,256	15,347
Debt to equity ratio (x)	**1.2**	**1.2**	**1.2**	**1.0**	**1.0**
Net debt to equity ratio					
Debt	22,094	19,132	20,747	16,100	15,676
Less: Cash and cash equivalents	4,411	1,855	1,950	1,400	3,343
Net Debt	17,683	17,277	18,796	14,699	12,333
Total Equity	18,545	16,466	17,463	16,256	15,346
Net debt to equity ratio (x)	**1.0**	**1.1**	**1.1**	**0.9**	**0.8**
Asset to equity ratio					
Total Assets	53,880	47,082	49,367	42,556	41,309
Total Equity	18,545	16,466	17,463	16,256	15,346
Asset to equity ratio (x)	**2.9**	**2.9**	**2.8**	**2.6**	**2.7**
Total Liabilities / Total Equity					
Total Liabilities	35,336	30,616	31,903	26,300	25,962
Total Equity	18,545	16,466	17,463	16,256	15,346
Total Liabilities / Total Equity	**1.9**	**1.9**	**1.8**	**1.6**	**1.7**

Notes:

1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two)
2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two)
3) Interest coverage ratio is equal to earnings before interest and taxes (EBIT) divided by interest expenses
4) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity
5) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
7) Asset to Equity ratio is total assets over total equity

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This should be read in conjunction with the interim consolidated financial statements and audited consolidated financial statements annexed to this Preliminary Prospectus, as well as the yearly filed 17A and quarterly filed 17Q.

REVIEW OF 2nd QUARTER 2019 VS 2nd QUARTER 2018

Results of Operations and Material Changes to the Company's Income Statement for the six-month period ended June 30, 2019 compared to June 30, 2018 (In Millions of Peso)

				Movement
	2019	**2018**	**Amount**	**%**
REVENUE				
Real estate revenue	**5,415**	3,802	1,613	42.41%
Leasing revenue	**248**	193	55	28.46%
Property management fee and other services	**208**	179	28	15.87%
Interest income from real estate sales	**175**	199	(24)	-11.95%
	6,046	4,326	1,719	39.75%
COST AND EXPENSES				
Cost of real estate revenue	**3,480**	2,101	1,379	65.63%
Cost of leasing	**107**	92	15	16.45%
Cost of services	**149**	139	10	7.15%
	3,736	2,332	1,404	60.19%
GROSS PROFIT	**2,309**	1,994	315	15.82%
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**1,461**	1,579	(119)	-7.51%
OTHER INCOME (EXPENSES)				
Interest and other income	310	364	(53)	-14.63%
Gain on change in fair value of investment properties	117	18	99	546.71%
Gain (loss) on change in fair value of derivative asset	(97)	151	(247)	-164.21%
Share in net earnings of joint ventures and associate	11	6	5	93.16%
Interest and other financing charges	(255)	(248)	(7)	2.67%
Unrealized foreign exchange gain (loss)	66	(195)	261	-134.04%
	154	95	58	61.48%
INCOME BEFORE INCOME TAX	**1,002**	510	493	96.66%
PROVISION FOR INCOME TAX	**230**	86	144	166.26%
NET INCOME	**772**	423	349	82.46%

42.41% increase in real estate revenue
The increase is due to sustained revenue contribution of affordable housing segment, Batulao and additional substantial progress in construction and sales take up of on-going projects.

28.46% increase in leasing revenue
The increase were mostly due to the start of operation and recognition of revenue of Asian Century Center.

15.87% increase in property management fee and other services

The increase is primarily due to increase in management fee and service rates for property managed.

11.95% decrease in interest income from real estate sales
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decrease since majority of the projects are already turned over and new sales fair value upon initial recognition approximates its nominal value.

65.63% increase in cost of sales
The increase is directly attributable in the increase of real estate revenue.

16.45% increase in cost of leasing
The increase is mainly due to the cost for the start operation Asian Century Center.

7.15% increase in cost of services
The increase is directly attributable in the increase in property management fee and other services.

7.51% decrease in General, administrative and selling expenses
Decrease is due to continuous cost reduction measures to improve margins. Significant reduction is mostly from marketing and selling expenses

14.63% decrease in interest and other income
The increase is due to lower income from forfeited collection.

546.71% increase in gain from change in fair value of investment properties
The increase is due to mark to market gain on Asian Century Center.

164.21% increase in loss from change in fair value of derivatives
The increase is due to mark to market loss on non-deliverable foreign currency swap entered into by the Group to hedge its foreign currency denominated debt.

93.16% increase in share in net earnings from joint ventures and associate
These increase is from the share in earnings of the Company’s associates One Pacstar and Two Pacstar

134.04% increase in unrealized foreign exchange gain (loss)
These gain are offset by the gain in fair value of derivatives arising from hedging of the dollar denominated loans.

11.46% decrease in general, administrative and selling expenses
Decrease is due to continuous cost reduction measures to improve margins. Significant reduction is mostly from marketing and selling expenses.

166.26% increase in provision for income tax
The increase was primarily due to higher taxable income during the period.

As a result of the foregoing, net income increased by 82.46%.

Financial Condition and Material Changes to the Company's Statement of Financial Position for the period-ended June 30, 2019 compared to December 31, 2018 (In Millions of Peso)

			Movement	
	2019	**2018**	**Amount**	**%**
ASSETS				
Cash and cash equivalents	**₱4,411**	₱1,950	₱2,460	126.14%
Receivables	**5,767**	2,047	3,719	181.71%
Contract assets	**5,016**	6,827	(1,811)	-26.52%
Real estate inventories	**16,630**	17,257	(628)	-3.64%
Due from related parties	**418**	394	23.19	5.88%
Advances to suppliers and contractors	**2,673**	2,236	437	19.55%
Other current assets	**1,434**	1,284	149	11.62%
Total Current Assets	**36,348**	31,997	4,351	13.60%
Non-current portion of contract assets	**991**	1,895	(903)	-47.67%
Deposits for purchased land	**1,125**	1,189	(64)	-5.41%
Investments in and advances to joint ventures and associate	**259**	247	11	4.52%
Investment properties	**12,335**	11,382	953	8.37%
Property and equipment	**1,592**	1,274	318	25.00%
Deferred tax assets – net	**38**	62	(24)	-39.30%
Other noncurrent assets	**1,193**	1,321	(128)	-9.70%
Total Noncurrent Assets	**17,532**	17,370	163	0.94%
TOTAL ASSETS	**53,880**	49,367	4,514	9.14%
LIABILITIES				
Accounts and other payables	**6,199**	4,990	1,209	24.23%
Contract liabilities	**3,046**	2,294	752	32.77%
Short-term debt	**2,059**	2,207	(148)	-6.70%
Current portion of:				
Long-term debt	**7,876**	5,389	2,487	46.14%
Bonds Payable	**1,394**	-	1,394	100.00%
Liability from purchased land	**67**	67	-	0.00%
Lease liability	**15**	-	15	100.00%
Due to related parties	**99**	99	-	-
Income Tax Payable	**10**	5	5	110.40%
Total Current Liabilities	**20,686**	15,050	5,636	37.45%
Noncurrent portion of				
Long-term debt	**7,720**	11,645	(3,925)	-33.70%
Bonds Payable	**3,045**	1,506	1,540	102.24%
Liability from purchased land	**323**	302	22	7.14%
Lease liability	**7**	-	7	0.00%
Pension liabilities	**256**	251	5	2.10%
Deferred tax liabilities	**2,457**	2,525	(67)	-2.67%
Other noncurrent liabilities	**762**	625	138	22.04%
Total Noncurrent Liabilities	**14,572**	16,853	(2,281)	-13.53%
Total Liabilities	**35,335**	31,903	3,433	10.76%
EQUITY				
Capital stock	**6,201**	6,201	-	0.00%
Additional paid-in capital	**2,640**	2,640	-	0.00%
Treasury shares	**(110)**	(110)	-	0.00%
Other components of equity	**99**	99	0	0.00%
Retained earnings	**8,173**	7,590	583	7.47%
Remeasurement loss on defined benefit plan	**(66)**	(66)	-	0.00%
Total Equity Attributable to Equity Holders of the Parent Company	**16,937**	16,354	583	3.46%
Non-controlling interest	**1,608**	1,109	498	45.30%
	18,545	17,463	1,081	6.12%
	₱53,880	₱49,367	₱4,514	9.14%

126.14% increase in cash and cash equivalents
Increase is primarily due to net proceeds from bond availment and collections from operations during the period.

9.34% increase in total receivables and contract assets
The increase is primarily due to receivables recognized for new projects qualified for revenue recognition.

19.55% increase in advances to suppliers and contractors
Increase is primarily due to additional advances to suppliers and contractors of new projects in affordable segment and batulao project.

5.41% decrease in deposits for purchased land
In 2019, CCC finalized its DOAS for the land acquired in Novaliches, hence the initial deposit for the land purchased amounting to ₱166.00 million was reclassified to inventories.

8.37% increase in investment property
The increase is mostly attributable to the construction of century diamond tower.

25.00% increase in property and equipment
The increase is mostly attributable to additional construction cost for Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences.

24.23% increase in accounts and other payables
The increase is primarily due to accruals made at the end of the period and increase in inventory related purchases.

32.77% increase in total contract liabilities
Contract liabilities represents collection from customers which do not meet the revenue recognition criteria as of the end of the period.

8.24% decrease in total short-term and long-term debt
Decrease was due to net repayment of loans during the period.

194.77% increase in bonds payable
On April 15, 2019, the Group issued a three-year bonds listed at the Philippine Dealing & Exchange Corp. (PDEx) amounting to ₱3,000 million.

22.04% increase in other non-current liabilities
Due to the collection of its subscription of preferred shares.

45.30% increase in non-controlling interest
Primarily due to additional investment from minority interest of PPHI amounting to ₱333.33 million and collection of subscription receivable from minority interest of CCDCII amounting to ₱113.26 million.

Key Performance Indicators

Selected Financial Indicators
June 30, 2019 and June 30, 2018

Financial ratios	Jun-19	Jun-18
Current/Liquidity Ratios		
Current Assets	36,348,080,994	31,866,235,025
Current Liabilities	20,763,529,659	13,703,464,086
Current Ratios	**1.8**	**2.3**
Current Assets	36,348,080,994	31,866,235,025
Inventory	16,629,635,326	17,995,327,361
Quick Assets	19,718,445,668	13,870,907,664
Current Liabilities	20,763,529,659	13,703,464,086
Quick Ratios	**0.9**	**1.0**
Liabilities and Debt Ratios		
Short-term debt	2,058,719,898	1,487,889,296
Long-term debt - Current	7,875,706,185	4,270,230,499
Long-term debt - Non-current	7,720,389,001	11,873,116,543
Bonds payable	4,438,999,460	1,500,966,910
Debt	**22,093,814,544**	**19,132,203,248**
Equity	**18,544,571,901**	**16,466,234,016**
Debt-to-Equity	**1.2**	**1.2**
Debt	22,093,814,544	19,132,203,248
Cash and Cash Equivalents	4,410,587,435	1,855,012,361
Net Debt	**17,683,227,109**	**17,277,190,887**
Equity	**18,544,571,900**	**16,466,234,016**
Net Debt-to-Equity	**1.0**	**1.0**
Debt	22,093,814,544	19,132,203,248
EBITDA (Annualized for Interim)	2,449,500,394	1,477,172,354
Debt-to-EBITDA	**9.02**	**12.95**
Income befor Income Tax	1,002,139,301	509,580,585
Interest expense	194,122,892	207,058,997
Depreciation and amortization	28,488,004	21,946,595
EBITDA	**1,224,750,197**	**738,586,177**
Asset to Equity Ratios		
Total Assets	53,880,353,130	47,082,253,732
Total Equity	18,544,571,900	16,466,234,016
Asset to Equity Ratio	**2.9**	**2.9**
Liabilities to Equity Ratios		
Total Liabilities	35,335,781,230	30,616,019,716
Total Equity	18,544,571,900	16,466,234,016
Liabilities to Equity Ratio	**1.9**	**1.9**

Financial ratios	Jun-19	Jun-18
Profitability ratios		
Revenue	6,045,698,712	4,326,230,860
Gross Profit	2,309,265,380	1,993,768,116
Gross Profit Ratio	**38%**	**46%**
Net Income Attributable to Equity holders of the Parent Company	720,510,875	365,995,132
Revenue	6,045,698,712	4,326,230,860
Net Income Margin	**11.9%**	**8.5%**
Total Net Income after tax (Annualized)	**1,544,536,706**	**846,495,552**
Total Asset CY	53,880,353,130	47,082,253,732
Total Asset PY	49,366,682,829	42,555,650,621
Average total asset	**51,623,517,980**	**44,818,952,177**
Return on Asset	**3.0%**	**1.9%**
Total Net Income after tax (Annualized)	**1,544,536,706**	**846,495,552**
Total Equity CY	18,544,571,900	16,466,234,016
Total Equity PY	17,463,466,559	16,255,621,463
Average total equity	**18,004,019,230**	**16,360,927,740**
Return on Equity	**8.6%**	**5.2%**
Net Income	772,268,353	423,247,776
Revenue	6,045,698,712	4,326,230,860
Net Income Margin	**12.8%**	**9.8%**

REVIEW OF YEAR END 2018 VS YEAR END 2017

Results of Operations and Material Changes to the Company's Income Statement for the year ended December 31, 2018 compared to December 31, 2017 (increase/decrease of 5% or more) *(In Millions of Peso)*

	2018	2017	Movement Amount	%
REVENUE				
Real estate revenue	₱9,577	₱5,346	₱4,231	79.14%
Leasing revenue	395	353	42	12.04%
Property management fee and other services	407	342	66	19.20%
Interest income from real estate sales	322	665	(343)	-51.52%
	10,702	**6,706**	**3,996**	**59.59%**
COST AND EXPENSES				
Cost of real estate revenue	5,655	2,806	2,849	101.51%
Cost of leasing	277	271	6	2.15%
Cost of services	228	238	(10)	-4.23%
	6,160	**3,315**	**2,845**	**85.81%**
GROSS PROFIT	**4,542**	**3,391**	**1,151**	**33.96%**
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**3,255**	**2,964**	**290**	**9.80%**
OTHER INCOME (EXPENSES)				
Interest and other income	569	801	(232)	-29.01%
Gain from change in fair values of investment properties	377	286	91	31.77%
Gain (loss) from change in fair value of derivatives (Note 9)	116	(36)	151	425.13%
Income from investment in associate	12	-	12	100.00%
Unrealized foreign exchange loss	(145)	(54)	91	169.62%
Interest and other financing charges	(594)	(403)	191	47.29%
	334	**594**	**(260)**	**-43.73%**
INCOME BEFORE INCOME TAX	**1,622**	**1,021**	**601**	**58.88%**
PROVISION FOR INCOME TAX	**504**	**371**	**133**	**35.81%**
NET INCOME	**₱1,118**	**₱650**	**₱468**	**72.05%**

79.14% increase in real estate revenue
The increase is due to completion of Boracay, Osmeña East and Iguazu towers, start of recognition of affordable housing segment and additional substantial progress in construction and sales take up of on-going projects.

Affordable housing segment's contribution to the increase in revenue amounted to ₱1,170.91 million for the year ended December 31, 2018.

12.04% increase in leasing revenue
The increase were due to higher occupancy rate for Century City mall and Centuria medical.

19.20% increase in property management fee and other services
Increase where significantly due to additional properties being mange, specifically 3 more BPI buildings and the newly completed Century properties.

51.52% decrease in interest income from real estate sales
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) recognized during the year. Discount subject to accretion arises from the

difference between present value of ICR and its nominal value. Income decrease since majority of the projects are already turned over and new sales fair value upon initial recognition approximates its nominal value.

29.01% decrease in interest and other income
Decrease is mostly attributable to lower forfeited collections in 2018.

31.77% increase in gain from change in fair value of investment property
The increase is mostly attributable to initial recognition of gain from change in fair value of investment property of Asian Century Center amounting to ₱245.80 million.

425.13% increase in gain (loss) from change in fair value of derivatives
The increase is due to mark to market gain on non-deliverable foreign currency swap entered into by the Group to hedge its foreign currency denominated debt.

100% increase in income from investment in associate
Income from investment in associate in 2018 amounting to ₱12.43 million pertains to share in net earnings of joint ventures and associate.

101.51% increase in cost of sales
The increase in mainly due to the increase in real estate revenue and impact of adoption of PFRS 15.

2.15% increase in cost of services
This is due to the increase of properties managed by CPMI.

4.23% decrease in cost of leasing
The decrease is mainly due to the Group's implementation cost cutting measures during the year.

9.80% increase in General, administrative and selling expenses
The increase in operational expenses during the period is primarily due to the increase in commission and salaries related to the newly launched projects and amortization of commission.

47.29% increase in Interest and other financing charges
This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs.

169.62% increase in unrealized foreign exchange losses
These losses are offset by the gain in fair value of derivatives arising from hedging of these new dollar denominated loans during the year.

35.81% increase in provision for income tax
The increase was primarily due to higher taxable income during the year.

As a result of the foregoing, net income decreased by 72.05%.

Financial Condition and Material Changes to the Company's Income Statement for the year ended December 31, 2018 compared to December 31, 2017 (increase/decrease of 5% or more) *(In Millions of Peso)*

	2018	2017	Movement Amount	%
ASSETS				
Cash and cash equivalents	₱1,950	₱1,400	₱550	39.28%
Receivables	2,047	7,541	(5,494)	-72.85%
Contract assets	6,827	-	6,827	100.00%
Real estate inventories	17,257	15,846	1,412	8.91%
Due from related parties	394	491	(97)	-19.72%
Advances to suppliers and contractors	2,236	1,964	272	13.86%
Other current assets	1,284	1,009	275	27.30%
Total Current Assets	**31,997**	**28,252**	**3,745.42**	**13.26%**
Noncurrent portion of installment contract receivables	-	2,442	(2,442)	-100.00%
Non-current portion of contract assets	1,895	-	1,895	100.00%
Deposits for purchased land	1,189	1,370	(180)	13.15%
Investments in and advances to joint ventures and associate	248	235	12	5.29%
Investment properties	11,382	7,760	3,622	46.58%
Property and equipment	1,274	1,069	205	19.21%
Deferred tax assets – net	62	104	(42)	-40.45%
Other noncurrent assets	1,321	1,325	(4)	-0.32%
Total Noncurrent Assets	**17,3570**	**14,304**	**3,066**	**21.43%**
TOTAL ASSETS	**49,367**	**42,556**	**6,811**	**16.01%**
LIABILITIES				
Accounts and other payables	4,990	3,832	1,158	30.21%
Contract liabilities	2,294	-	2,294	100.00%
Customers' deposits	-	2,759	(2,759)	-100.00%
Short-term debt	2,207	1,416	791	55.85%
Current portion of:				
Long-term debt	5,389	3,099	2,290	73.88%
Liability from purchased land	67	67	-	0.00%
Due to related parties	99	48	50	104.64%
Income Tax Payable	5	3	1	45.73%
Total Current Liabilities	**15,050**	**11,225**	**3,826**	**34.08%**
Noncurrent portion of long-term debt	11,645	10,083	1,562	15.49%
Bonds Payable	1,506	1,501	5	0.33%
Noncurrent portion of liability from purchased land	302	381	(79)	-20.86%
Pension liabilities	251	235	16	6.64%
Deferred tax liabilities	2,525	2,451	73	2.98%
Other noncurrent liabilities	625	423	201	47.66%
Total Noncurrent Liabilities	**16,853**	**15,075**	**1,778**	**11.79%**
Total Liabilities	**31,903**	**26,300**	**5,603**	**21.30%**
EQUITY				
Capital stock	6,201	6,201	-	0.00%
Additional paid-in capital	2,640	2,640	-	0.00%
Treasury shares	(110)	(110)	-	0.00%
Other components of equity	99	99	-	0.00%
Retained earnings	7,590	6,923	667	9.64%
Remeasurement loss on defined benefit plan	(66)	(35)	(31)	90.98%
Total Equity Attributable to Equity Holders of the Parent Company	16,354	15,718	636	4.04%
Non-controlling interest	1,109	537	572	106.51%
	17,463	**16,256**	**1,208**	**7.43%**
	₱ 49,367	**₱42,556**	**₱6,811**	**16.01%**

39.28% increase in cash and cash equivalents
Increase is primarily due to collections from matured accounts and net proceeds from loans during the period.

7.87% increase in total receivables and contract assets
The increase is due to new sales booked during the year

8.91% increase in real estate inventories
Due to the substantial increase in construction and development of various ongoing projects and payment of land during the period net of the cost of real estate sales recognized and transfers of cost of leasing assets to investment properties. .

In addition, the adoption of PFRS 15 affected the Group’s recognition of cost of real estate sales. In compliance with PFRS 15, costs that relate to satisfied (or partially satisfied) performance obligations should be expensed as incurred. These costs are allocated to the saleable units, with the portion allocable to the sold units being recognized as costs of sales while the portion allocable to the unsold units being recognized as part of real estate inventories. The adoption of PFRS 15 decreased the Group’s retained earnings ₱100.30 million, decreased the inventory by ₱154.75 million and decreased deferred tax liabilities by ₱ 54.46 million as of January 1, 2018.

19.72% decrease in due from related parties
Due to settlement of advances and outstanding balance due to purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

13.86% increase in advances to suppliers and contractors
Increase is due to down payments made to suppliers during the period which are subject to recoupment through progress billings.

13.15% decrease in deposits for purchased land
In 2018, land acquired in Quezon City was fully paid resulting to transfer of deposits for purchased land made in prior years to inventories amounting to ₱522.26 million. Also in 2018, the Group made additional deposits for land in Novaliches amounting to ₱284.98 million. These transactions resulted to net decrease in deposits for purchased land.

46.68% increase in investment property
Primarily due to costs incurred for Century Diamond Tower and Asian Century Center. Also the recognition of fair value appreciation mainly for ACC amounted to ₱369.22 million contributed to the increase in investment property.

19.21% increase in property and equipment
The increase is mostly attributable to additional construction cost for Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱199.64 million.

11.62% increase in other current and non-current assets
Increase is primarily due to increase in prepaid selling expenses for pre-sales during the period, increase in creditable withholding taxes and input taxes.

30.21% increase in accounts and other payables
Increase is primarily due to accruals made at the end of the period.

13.83% decrease in total customers deposits and contract liabilities
Decrease was due to recognition of customers deposits as revenue during the period as the accounts meet the accounting criteria for revenue recognition.

31.80% increase in total Short-term and long-term debt
The increase is due to increased net availments from existing and new lines during the period. The increase in debt was partially used to fund operations, investment properties, land payments and to refinance debt.

104.64% increase in due to related parties
Due to additional purchases from related parties, which are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

6.64% increase in pension liabilities
Due to additional retirement expense during the year.

20.86% decrease in liabilities for purchased land
Due to payments made during the year.

47.66% increase in other non-current liabilities
Due to the collection of its subscription of preferred shares.

7.34% increase in stockholder's equity
Due to the net income recorded for the year ended December 31, 2018, collection of subscription receivable from minority interest amounting to ₱212.34 million, and additional investment from minority interest amounting to ₱205.00 million from PPHI and ₱4.00 million from KPDC, respectively.

Financial Ratios

	As of December 31		
	2018	2017	2016
Current Ratio	2.1x	2.5x	2.9x
Debt to Equity Ratio	1.2x	1.0x	1.0x
Asset to Equity Ratio	2.8x	2.6x	2.7x
	For The Year Ended December 31		
	2018	2017	2016
Return on Assets	2.4%	1.5%	1.8%
Return on Equity	6.6%	4.1%	4.8%
EBIT	2,036.1	1,308.2	1,081.5
EBITDA	2,073.9	1,341.4	1,110.1
Total Debt	20,746.8	16,099.7	15,676.0
Net Debt	18,796.4	14,699.3	12,332.9
Gross Profit from Real Estate Sales Ma	42.9%	53.3%	48.4%
Net Income Margin	9.6%	8.3%	9.8%
Net debt-to-equity ratio	1.1x	0.9x	0.8x
Debt-to-EBITDA ratio	10.0x	12.0x	14.1x
Net debt-to-EBITDA ratio	9.1x	11.0x	11.1x

Notes:

(1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).
(2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).
(3) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax.
(4) Net debt is calculated as total short term and long-term debt including bonds payable less cash and cash equivalents as of the end of the period.
(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.
(6) Net margin is calculated as net income as a percentage of revenue for the period. Total Revenue includes, Real Estate Sales, Leasing Revenue, Property Management fee and other services, interest and other income, and Gain from change in Fair Value.
(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.
(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the year.
(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the year.
(10) This ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity**.**

REVIEW OF YEAR END 2017 VS YEAR END 2016

RESULTS OF OPERATIONS

Real Estate

The Group accounts for real estate revenue from completed housing and condominium units and lots using the full accrual method. The Group uses the percentage of completion method, on a unit by unit basis, to recognize income from sales where the Group has material obligations under the sales contract to complete after the property is sold. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally in relation to actual costs incurred to date over the total estimated costs. The Group typically requires payment of 20% to 40% of the total contract price, depending on the type of property being purchased, and buyers are given the duration of the construction period to complete such payment.

For the year ended December 31, 2017, the Group recorded revenue from real estate sales amounting to ₱5,346 million compared to ₱4,968.4 million in 2016.

The increase in real estate sales is attributable to the increase in selling price of the units among projects and significant accomplishments of Tanza, Roxas West, Quirino West and Bahamas projects during the year.

Interest and Other Income, including Gain from change in fair value

Interest and other income decreased by 1.1% to ₱1,752 million in the year ended December 31, 2017 from ₱1,772 million in the year ended December 31, 2016. This decrease is primarily due to lower gain in Fair Value of Investment Properties recognized during 2017. The gain on fair value gain in investment properties recognized in 2017 amounted to ₱286 million which is lower compared to ₱348 million recognized in 2016.

Investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraisers, as of December 31, 2017 and 2016.

Property management fee and other services

Property management fee and other services increased by 16.9% to ₱353 million in the year ended December 31, 2017 from ₱302 million in the year ended December 31, 2016. This was due to the increase in the revenue from managed properties, specifically BPI properties increased from 1 to 4 buildings, and additional Century related developments.

Leasing Revenue

Leasing revenue increased by 1.1% to ₱342 million in the period ended December 31, 2017 from ₱338 million in the same period ended December 31, 2016 due to the increase in occupancy rate of Century City Mall. Century City Mall has 96.3% occupancy rate for 2017 higher compared to 95.5% occupancy rate in 2016.

Costs and Expenses (including loss from change in fair value of derivatives and unrealized foreign exchange losses)

Cost and expenses increased by 5.8% to ₱6,772 million during 2017 from ₱6,401 million for the year ended December 31, 2016.

- Cost of real estate sales decreased by 3.3% to ₱2,806 million in the year ended December 31, 2017 from ₱2,901 million in the year ended December 31, 2016. Despite the increase in real estate sales, the cost of real estate sales decreased due to significant project sales during the year has higher gross profit margin.

- Cost of leasing decreased by 10.85% to ₱238 million for the year ended December 31, 2017 from ₱267 million in the year ended December 31, 2016. The decrease is mainly due to the Group's implementation cost cutting measures during the year.

- Cost of services increased by 13.89% from ₱238 million in the year ended December 31, 2016 to ₱271 million in the year ended December 31, 2017. This is due to the increase of properties managed by CPMI.

- Interest and other financing charges (including unrealized foreign exchange loss and loss on change in fair value of derivatives) increased by 31.5% to ₱493 million for the year ended December 31, 2017 from ₱375 million for 2016. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs. The Loss on Fair Value of derivatives amounted to ₱36 million and ₱108 million in 2017 and 2016, respectively.

Provision for Income Tax

Provision for income tax increased by 47.2% to ₱371 million for the year ended December 31, 2017 from ₱252 million in the year ended December 31, 2016. The increase was primarily due to higher taxable income during the year and additional tax expense from expiration of NOLCO.

Net Income

As a result of the foregoing, net income decreased by 10.6% to ₱650 million for the year ended December 31, 2017 from ₱727 million in the year ended December 31, 2016.

FINANCIAL CONDITION

As of December 31, 2017 vs. December 31, 2016

Total assets as of December 31, 2017 were ₱42,556 million compared to ₱41,309 million as of December 31, 2016, or a 3.0% increase. This was due to the following:

- Cash and cash equivalents decreased by 58.1% from ₱3,343 million as of December 31, 2016 to ₱1,400 million as of December 31, 2017 primarily due to capital expenditures for the investment property, payment of land and the use of cash for operations. During the period the Company also paid its 3-year term bonds.

- Receivables decreased by 11.7% from ₱11,308 million as of December 31, 2016 to ₱9,983 million as of December 31, 2017 million due to increase in collection on receivables from turned over projects.

- During the year ended December 31, 2017, real estate inventories increased by 13.6% from ₱13,943 million as of December 31, 2016 to ₱15,846 million as of December 31, 2017 due to development of various projects during the period and lower cost of real estate recognized during the period.

- Investment properties posted an increase by 30.7% to ₱7,760 million as of December 31, 2017 as compared to ₱5,936 million as of December 31, 2016 primarily due to other costs incurred for Century Diamond Tower and Asian Century Center. Increase in fair value of these assets also contributes to the increase in investment property.

Total liabilities as of December 31, 2017 were ₱26,301 million compared to ₱25,962 million as of December 31, 2016, or a 1.3% increase. This was due to the following:

- Accounts and other payables decreased by 4.4% from ₱4,011 million as of December 31, 2016 to ₱3,832 million as of December 31, 2017 due to payments made to suppliers and contractors.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans and bi-lateral term loans increased by 12.3% from ₱12,998 million as of December 31, 2016 to ₱14,598 million as of December 31, 2017 due to increased net availments from existing and new lines during the period. The increase in debt was partially used to fund operations, investment properties, and to refinance debt.

- Pension liabilities decreased by 0.4% from ₱237 million as of December 31, 2016 to ₱236 million as of December 31, 2017 as a result of recognition of significant actuarial gain during the year amounting to ₱38 million.

Total equity attributable to parent company net increased by 3.2% to ₱15,718 million as of December 31, 2017 from ₱15,227 million as of December 31, 2016 due to the net income recorded during the year net of CPGI's cash dividend declarations during the year.

Non-controlling interest increased to ₱537 million from ₱120 million due to collection of subscription receivable from MC for its interest in Tanza and CCDC II.

Century Properties Group, Inc.
Financial Ratios

	As of December 31		
	2017	**2016**	**2015**
Current Ratio	**2.5x**	**2.9x**	**2.8x**
Debt to Equity Ratio	**1.0x**	**1.0x**	**1.0x**
Asset to Equity Ratio	**2.6x**	**2.7x**	**2.6x**
	For the year ended December 31		
	2017	**2016**	**2015**
Return on Assets	**1.5%**	**1.8%**	**4.1%**
Return on Equity	**4.1%**	**4.8%**	**10.9%**
EBIT	**1,308.2**	**1,081.5**	**2,202.3**
EBITDA	**1,341.4**	**1,110.1**	**2,230.1**
Total Debt	**16,099.7**	**15,676.0**	**13,916.0**
Net Debt	**14,699.3**	**12,332.9**	**11,907.7**
Gross Profit from Real Estate Sales Margin	**53.3%**	**48.4%**	**43.8%**
Net Income Margin	**8.3%**	**9.8%**	**14.6%**
Net debt-to-equity ratio	**0.9x**	**0.8x**	**0.8x**
Debt-to-EBITDA ratio	**12.0x**	**14.1x**	**6.2x**
Net debt-to-EBITDA ratio	**11.0x**	**11.1x**	**5.3x**

Notes:

(1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).

(2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).

(3) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax.

(4) Net debt is calculated as total short term and long-term debt including bonds payable less cash and cash equivalents as of the end of the period.

(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.

(6) Net margin is calculated as net income as a percentage of revenue for the period. Total Revenue includes, Real Estate Sales, Leasing Revenue, Property Management fee and other services, interest and other income, and Gain from change in Fair Value.

(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.

(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the year.

(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the year.

(10) This ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.

Material Changes to the Company's Balance Sheet as of December 31, 2017 compared to December 31, 2016 (increase/decrease of 5% or more)

Cash and cash equivalents decreased by 58.1% from ₱3,343 million as of December 31, 2016 to ₱1,400 million as of December 31, 2017 primarily due to capital expenditures for the investment property, payment of land and the use of cash for operations. During the period the Company also paid its 3-year term bonds.

Receivables decreased by 11.7% from ₱11,308 million as of December 31, 2016 to ₱9,983 million as of December 31, 2017 million due to increase in collection on receivables from turned over projects.

During the year ended December 31, 2017, real estate inventories increased by 13.6% from ₱13,943 million as of December 31, 2016 to ₱15,846 million as of December 31, 2017 due to development of various projects during the period and lower cost of real estate recognized during the period.

Due from Related parties decreased by 7.9% from ₱533. million as of December 31, 2016 to ₱491 million as of December 31, 2017 due to settlements within of made between the subsidiaries of the Group. Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand.

Prepayments and other current assets (including derivative assets) decreased by 22.6% from P1,303 million as of December 31, 2016 to P1,009 million as of December 31, 2017 mainly due to amortization of deferred selling expenses, derecognition of derivative asset and application of creditable withholding taxes on the income tax payable during the period.

Deposits for purchased land increased by 17.0% from ₱1,170 million as of December 31, 2016 to ₱1,370 million as of December 31, 2017 due to payment made by the Company to the Land Owners during the period.

Investment and advances to Joint Ventures and Associates decreased by 40.4% from ₱394 million as of December 31, 2016 to ₱235 million as of December 31, 2017 mainly due to A2 Global settlement all of its advances from the Group for the construction of the investment property.

Investment properties posted an increase by 30.7% to ₱7,760 million as of December 31, 2017 as compared to ₱5,936 million as of December 31, 2016 primarily due to other costs incurred for Century Diamond Tower and Asian Century Center. Increase in fair value of other investment properties assets also contributes to the increase in investment property.

Property and equipment increased by 120.0% from ₱486 million as of December 31, 2016 to ₱1,069 million as of December 31, 2017 due to additional cost incurred for the construction of the Novotel Suites Manila at Acqua 6 Tower of the Acqua Private Residences.

Deferred Tax Asset decreased by 35.0% from ₱160 million as of December 31, 2016 to ₱104 million as of December 31, 2017. The decrease is primarily due to the NOLCO claimed by the Group against it taxable income during the year.

Other non-current assets increased by 79% from ₱741 million as of December 31, 2016 to ₱1,325 million as of December 31, 2017 primarily due to the increase in rental deposits held and applied in relation to the Company's lease contracts for their administrative and sales offices.

Customers' deposits increased by 16.9% from ₱2,360 million as of December 31, 2016 to ₱2,759 million as of December 31, 2017. Balances as of December 31, 2017 represents collection from customers which do not meet the revenue recognition criteria.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans and bi-lateral term loans increased by 12.3% from ₱12,997 million as of December 31, 2016 to ₱14,598 million as of December 31, 2017 due to increased net availments from existing and new lines during the period. The increase in debt was partially used to fund operations, investment properties, and to refinance debt.

Liability from purchased land decreased by 14.0% from ₱521.0 million as of December 31, 2016 to ₱448 million as of December 31, 2017 due to payments made to Land Owner during the year.

Bond Payable decreased by 44.0% from ₱2,679 million as of December 31, 2016 to ₱1,501 million as of December 31, 2017 due to settlement of the 3-year bonds payable.

Due to related parties decreased by 85.2% from ₱326 million as of December 31, 2016 to ₱48 million as of December 31, 2017 due to payment of advances to Ultimate Parent made by the Group during the year. Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand

Other Noncurrent Liabilities increased by 57.6% from ₱269 million as of December 31, 2016 to ₱424 million as of December 31, 2017 due to the increase in subscription and collected deposit for future preferred stock subscription of the Group during the year.

Total equity attributable to parent company net increased by 3.23% to ₱15,718 million as of December 31, 2017 from ₱15,227 million as of December 31, 2016 due to the net income recorded during the year net of CPGI's cash dividend declarations during the year.

Non-controlling interest increased to ₱537 million from ₱120 million due to collection of subscription receivable from MC for its interest in Tanza and CCDC II.

Material Changes to the Company's Statement of income for the year ended December 31, 2017 compared to the year ended December 31, 2016 (increase/decrease of 5% or more)

Real estate revenue posted an increase by 7.6% for the year ended December 31, 2017 from ₱4,968 million in 2016 to ₱5,346 million in 2017. The increase in real estate sales is attributable to the increase in selling price of the units among projects and significant accomplishments of Tanza, Roxas West, Quirino West and Bahamas projects during the year.

Property management fee and other services increased by 16.9% to ₱353 million in the year ended December 31, 2017 from ₱302 million in the year ended December 31, 2016. This was due to the increase in the revenue from managed properties, specifically BPI properties increased from 1 to 4 buildings, and additional Century related developments.

Cost and expenses increased by 5.8% to ₱6,772 million during 2017 from ₱6,401 million for the year ended December 31, 2016.

Cost of leasing decreased by 10.9% to ₱238 million for the year ended December 31, 2017 from ₱267 million in the year ended December 31, 2016. The decrease is mainly due to the Group's implementation cost cutting measures during the year.

Cost of services increased by 13.9% from ₱238 million in the year ended December 31, 2016 to ₱271 million in the year ended December 31, 2017. This is due to the increase of properties managed by CPMI.

Interest and other financing charges (including unrealized foreign exchange loss and loss on change in fair value of derivatives) increased by 31.5% to ₱493 million for the year ended December 31, 2017 from ₱375 million for 2016. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year. These interests came from loans that do not qualify for capitalization as borrowing costs. The Loss on Fair Value of derivatives amounted to ₱36 million and ₱108 million in 2017 and 2016, respectively.

Provision for income tax increased by 47.2% to ₱371 million for the year ended December 31, 2017 from ₱252 million in the year ended December 31, 2016. The increase was primarily due to higher taxable income during the year and additional tax expense from expiration of NOLCO.

As a result of the foregoing, net income decreased by 10.6% to ₱650 million for the year ended December 31, 2017 from ₱727 million in the year ended December 31, 2016.

INTERESTS OF INDEPENDENT LEGAL COUNSELS AND INDEPENDENT AUDITORS

LEGAL MATTERS

All legal opinion/matters in connection with the issuance of the Preferred Shares that are subject of this Offer shall be passed upon by China Bank Capital for the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, and ACCRALAW and CPGI's legal counsel for the Company, DivinaLaw. China Bank Capital and ACCRALAW have no direct or indirect interest in CPGI. China Bank Capital and ACCRALAW may, from time to time, be engaged by CPGI to advise in its transactions and perform legal services on the same basis that they provide such services to their other clients.

The named independent legal counsels have not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of the Company.

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at December 31, 2018, 2017, and 2016 and for the years ended December 31, 2018, 2017, and 2016 without qualification and reviewed the accompanying interim condensed consolidated statement of financial position of Century Properties Group Inc. and Subsidiaries as at June 30, 2019 and for the six-month periods ended June 30, 2019 and 2018. A review is substantially less in scope than an audit conducted in accordance with PSA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, all included in this Preliminary Prospectus. SGV & Co. has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of the Company.

The Company has not had any disagreements on accounting and financial disclosures, or auditing scope or procedure, with its current external auditor for the same periods or any subsequent interim period.

AUDIT AND AUDIT-RELATED FEES

The following table sets out the aggregate fees billed for each of the last two fiscal years and interim second quarter 2019 for professional services rendered by SGV & Co.

	2019	2018	2017
Audit and audit-related fees	₱3.9 million	₱3.3 million	₱3.0 million

The Audit Committee recommends to the Board of Directors the discharge or nomination of the external auditor to be proposed for shareholder approval at CPGI's annual shareholders meeting, approve all audit engagement fees and terms of the external auditor, and review its performance. It also reviews and discusses with management and the external auditors the results of the audit, including any difficulties encountered. This review includes any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with Management.

The Audit Committee also evaluates, determines and pre-approves any non-audit service provided to the Company and its subsidiaries by the external auditors and keeps under review the non-audit fees paid to the external auditors both in relation to their significance to the auditor and in relation to the total expenditure on consultancy.

No engagement for other services from SGV and Co. either for professional services, tax accounting compliance, advise and planning nor any services rendered for products and services other than the aforementioned audit services reported in 2018.

CAPITAL EXPENDITURES

The table below sets out our actual capital expenditures in 2015, 2016, 2017, 2018 and for the six-month period ending June 30, 2019.

	Expenditure (in ₱ millions)
2015	8,668.9
2016	6,894.2
2017	6,757.5
2018	6,680.2
June 30, 2019	3,334.0

The Group has historically sourced funding for capital expenditures through internally-generated funds and credit facilities from commercial banks.

The Company expects to fund budgeted capital expenditures principally through the existing cash and cash from operations, through borrowings and through the Offering. The Company's capital expenditure plans are based on management's estimates, and are subject to a number of variables, including: possible cost overruns; construction and development delays; the receipt of Government approvals; availability of financing on acceptable terms; changes in management's views of the desirability of current plans; the identification of new projects and potential acquisitions; and macroeconomic factors such as the Philippines' economic performance and interest rates. Accordingly, we might not execute our capital expenditure plans as contemplated or at or below estimated cost.

DIRECTORS, EXECUTIVE OFFICERS, AND CONTROL PERSONS

Directors and Executive Officers

The directors of the Company are elected at the regular annual stockholders' meeting. They hold office for a term of one (1) year until the next succeeding annual meeting and until their respective successors have been elected and qualified. The executive officers hold office until their respective successors have been elected and qualified.

The directors and executive officers of the Company as of December 31, 2018 are as follows:

Name of Director	Position	Age
Amb. Jose E.B. Antonio	Executive Chairman	72
John Victor R. Antonio	Vice Chairman	46
Jose Marco R. Antonio	President and CEO	45
Jose Roberto R. Antonio	Director	42
Jose Carlo R. Antonio	Director	36
Hilda R. Antonio	Director	72
Ricardo Cuerva	Director	75
Rafael G. Yaptinchay	Director	69
Amb. Jose L. Cuisa, Jr.	Independent Director	75
Stephen T. CuUnjieng	Independent Director	60
Carlos C. Ejercito	Independent Director	74
Atty. Danny E. Bunyi	Corporate Secretary	54
Ponciano S. Carreon	Chief Financial Officer / Corporate Treasurer / Investor Relations Officer	45
Domie S. Eduvane	Head for Legal and Corporate Affairs	54
Carlos Benedict K. Rivilla, IV	Assistant Corporate Secretary/ Corporate Affairs	47
Maria Theresa Fucanan – Yu	Head for Corporate Communications	39
Atty. Isabelita Ching Sales	Chief Information Officer and Chief Compliance Officer	39
Ritchelle T. Cordero	Head for Human Resources and Administration	39

Amb. Jose E.B. Antonio, 72 years old, Filipino, is one of the founders and Chairman of the Company and its subsidiaries. He graduated cum laude from San Beda College, Manila in 1966 with a Bachelor's Degree in Commercial Science (major in Marketing) and received a Masters Degree in Business Management in 1968 from Ateneo de Manila's Graduate School of Business. Chairman Antonio also graduated from Harvard University's Owner/President Management Program in 2003. Chairman Antonio served as the Philippines Special Envoy for Trade and Economics to the People's Republic of China in 2005 and is currently the Chairman of Century Asia Corporation, Prestige Cars, Inc. and Philtranco Service Enterprises. He is also the founder and Chairman of the Philippine-China Business Council Inc. In addition, he serves as the Vice Chairman of Penta Pacific Realty Corporation and Subic Air Charter, Inc. Mr. Antonio has also has been duly appointed by President Rodrigo R. Duterte as the Philippines' special envoy to the United States, effective October 28, 2016. His mission is to enhance business ties and strengthen the economic affairs between the two countries.

Mr. John Victor R. Antonio, 46 years old, Filipino, is Vice Chairman and a Director of the Company. He has been with the Company for 17 years and is involved in managing projects in the Company's middle income and affordable product lines, including Gramercy Residences and Azure Urban Residences. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Marketing) from the University of Pennsylvania's Wharton School in 1993 and received his Masters Degree in Business Administration from the Wharton School in 2003.

Mr. Jose Marco R. Antonio, 45 years old, Filipino, is President and Chief Executive Officer and a Director of the Company. Prior to joining the Company, he worked at Blackstone Real Estate Partners as a financial analyst. He has been with the Company for 16 years and is involved in managing projects in the Company's middle income and affordable product lines, including Canyon Ranch, Knightsbridge Residences and Acqua Private Residences. He graduated summa cum laude with a Bachelor's Degree in Economics (dual major in Finance and Entrepreneurial Management) from the University of Pennsylvania's Wharton School in 1995 and received his Masters Degree in Business Administration from the Wharton School in 2004.

Mr. Jose Roberto R. Antonio, 42 years old, Filipino, is a Director of the Company. He is involved in managing projects in the Company's luxury product line, including Milano Residences and Trump Tower Manila. He graduated with a Bachelor's Degree in Economics from Northwestern University and obtained his Masters Degree in Business Administration from Stanford University. He joined the Company in 2009 after spearheading Antonio Development in New York City, which developed the luxury condominium Centurion, located on 56th Street between 5th and 6th Avenue, steps from Central Park.

Mr. Jose Carlo R. Antonio, 36 years old, Filipino, is a Director of the Company and a member of our Board. Prior to joining the Company in 2007, he worked in the investment banking groups of Citigroup and Goldman Sachs. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Finance) from the University of Pennsylvania's Wharton School in 2005.

Ms. Hilda R. Antonio, 72 years old, Filipino, is a Director of the Company and a member of our Board. She is the wife of the Chairman Amb. Jose E.B. Antonio. She is a Philanthropist. She is a member of the Board of Directors of CPI, Museum Properties, Inc. Heirloom Properties Inc and Sovereign Property Holdings. She graduated from Assumption College of Manila with a degree in Economics.

Mr. Ricardo P. Cuerva, 75 years old, Filipino, is a Director of the Company and a member of our Board. Mr. Cuerva was a co-founder of Meridien and served as Meridien's President from 1988 to 1996. He also currently serves as a member of the Rotary Club of Makati City. Mr. Cuerva graduated from San Beda College in 1961 with a Bachelor of Science Degree in

Business Administration and obtained his Masters Degree in Business Administration from Ateneo De Manila in 1971. Mr. Cuerva is the President and owner of CPMCC, which oversees the construction of our vertical developments.

Mr. Rafael G. Yaptinchay, 69 years old, Filipino, is a Director of the Company and a member of our Board. Mr. Yaptinchay was a co-founder of Meridien and served as Meridien's president from 1996 to 2009. He has previously served as the Assistant Treasurer and Head of Business Development/Corporate Planning of Philippine National Construction Corporation. Mr. Yaptinchay is a member of the Rotary Club of Ortigas and the Association of Asian Manager, Inc. Mr. Yaptinchay graduated from Ateneo de Manila University in 1971 with a Bachelor's Degree (major Economics) and received his Masters Degree in Business Administration from Asian Institute of Management in 1974.

Amb. Jose L. Cuisia Jr., 75 years old, Filipino citizen, is the incumbent Ambassador Extraordinary and Plenipotentiary of the Republic of the Philippines to the United States. Ambassador Cuisia is also well-respected figure in Philippine business, with over 32 years in financial services, most recently as the President & CEO of the largest and most profitable non-bank financial institution on the Philippines. He serves on the boards of many of the Philippines' most prominent private and listed companies, and has shared his expertise as Trustee on various academic institutions and non-government organizations espousing good governance and corporate social responsibility, including the Asian Institute of Management. Ambassador Cuisia has over 10 years of experience in public service, having served Filipinos as the Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of the Philippine Social Security System in the 1980s and 1990s. At the Central Bank, Ambassador Cuisia oversaw the liberalization of foreign exchange controls, resulting in, among others, the entry of more substantial foreign direct investment that strengthened the Philippine Peso and the country's foreign exchange reserves. The Ambassador also led the efforts in establishing what is now the BSP, allowing it to become a more effective guardian of monetary policy and ensuring the stability of the banking system. Amb. Cuisia also serves as Director to various companies namely: Investment & Capital Corporation of the Philippines, Asian Institute of Management, Phinma Corporation, SM Prime Holdings Inc., Philippine Investment Management, Inc.. He likewise serves as an Independent Director of Manila Water Company, Inc.

Mr. Stephen T. CuUnjieng, 60 years old, Filipino citizen, is a prominent investment banker, and currently serves as an Independent Director, Aboitiz Equity Ventures, Inc. He has a long and extensive experience in investment banking with several major financial institutions including HFS Capital LLC and Evercore Partners, Inc. is the Chairman of Evercore Asia Limited. He is an advisor to a number of Asia's most prominent companies like San Miguel Corporation, Samsung Electronics, Tiger Airways, among others. He finished his undergraduate and law degree from Ateneo De Manila University and later on, earned his MBA degree from the Wharton School of Business at the University of Pennsylvania.

Mr. Carlos C. Ejercito, 74 years old, Filipino, is the former Chairman of the United Coconut Planters Bank and currently the Chairman and CEO of Northern Access Mining, Inc, Forum Cebu Coal Corporation and Kaipara Mining and Development Corporation. He graduated Cum Laude from the University of the East where he finished his Bachelor's Degree in Business Administration. He became a Certified Public Accountant in 1966. He received his Master's Degree in Business Administration at the Ateneo Graduate School of Business in 1976 and graduated from his Management Development Program in 1983 at the Harvard Business School. As of date, he serves as an Independent Director at Aboitiz Power Corporation, Bloomberry Resorts Corporation and Monte Oro Resources and Energy Corporation.

Atty. Danny E. Bunyi, 54 years old, Filipino, is the Corporate Secretary of the Company. He is likewise a Senior Partner at Divina Law Offices and a lecturer at John Gokongwei School of

Management in Ateneo de Manila University, and at the Trust Institute Foundation of the Philippines. He was the Senior Vice President and Corporate Secretary of the Development Bank of the Philippines and the Chief Compliance Officer and Legal Services Group Head of Robinsons Bank. He was also the Legal Counsel for Consumer Banking of Standard Chartered Bank (Manila Office) and the Head of the Legal Advisory Division of the Philippine Commercial International Bank. He completed the Finance for Senior Executives Program in the Asian Institute of Management as well as the course on Trust Operations and Investment Management conducted by the Trust Institute Foundation of the Philippines. He obtained his law degree at the Ateneo de Manila University, with a Bachelor's degree in Business Management, major in Legal Management from the same university. Atty. Bunyi has extensive work experience in the field of banking and finance, trust banking and investment management, and corporate and special projects.

Mr. Ponciano S. Carreon, Jr., 45 years old, is the Chief Financial Officer and Head for Investor Relations. Prior to joining CPGI, he served as Chief Finance Officer of Landco Pacific Corporation, Chief Finance Officer of Arthaland Corporation, Assistant Vice President of Controllership at SM Development Corporation and Controller of Crown Asia Properties, Inc., a Vista Land subsidiary, and as member of the Board of Directors of Club Punta Fuego Inc., Fuego Land Corporation, and Fuego Development Corporation. He also brings with him solid banking experience having served as a bank controller, audit head and examiner. He is an Ateneo-BAP Certified Treasury Professional, a cum laude graduate of BS Accountancy degree at San Beda College and a CPA board topnotcher.

Mr. Domie S. Eduvane, 54 years old, Filipino, is the Senior Vice-President for Legal and Corporate Affairs of the Company. He graduated magna cum laude from Far Eastern University, Manila with a Bachelor of Arts Degree in Economics and obtained his law degree from San Beda College of Law, Manila in 1994. Prior to joining the Company, he served as the Vice-President for Legal and Corporate Affairs and Human Resources for Empire East Properties, Inc., an affiliate of Megaworld Corporation. He also worked as Court Attorney with the Court of Appeals, Manila and was an Associate with Bengzon Zarraga Cudala Liwanag & Jimenez Law Offices as well as a Partner of Yrreverre Rondario & Associates Law Office.

Mr. Carlos Benedict K. Rivilla IV, 47 years old, Filipino, is the Vice-President for Corporate Affairs of the Company. As part of his experience in the business sector, he served as Corporate Compliance Officer and Vice-President for Finance in a corporation engaged in mass media for four years in Cebu City and also previously handled Corporate Affairs for the Company and served as Director and Corporate Secretary of various businesses in Makati City. He joined the Company in 2007. Mr. Rivilla is a graduate of University of San Jose Recoletos. Mr. Rivilla was appointed Assistant Corporate Secretary on August 17, 2011.

Ms. Maria Theresa Fucanan Yu, 39 years old, Filipino, is the Vice-President for Corporate Communications of the Company. As part of her corporate background, she served as Assistant Vice-President and Public Relations Manager of the Company. Prior to joining the Company in 2007, she served as an editor and reporter for various sections of The Manila Times. Ms. Fucanan graduated cum laude with a Bachelor's Degree in Journalism from the University of Santo Tomas in 2001.

Atty. Isabelita Ching-Sales, 39 years old, serves as the Company's Chief Information Officer. Atty. Ching-Sales was the Chief Legal Counsel, Head for Credit Support, Chief Information Officer and Corporate Secretary of Asiatrust Development Bank where she worked for 5 years. She likewise worked as Head for Operations of China Banking Corporation's Acquired Assets Division. She graduated from the University of Sto. Tomas with a Bachelor's Degree in Legal Management and obtained her degree in Bachelor of Laws at San Sebastian College Recoletos Manila, Institute of Law and San Beda College of Law.

Mr. Ritchelle T. Cordero, 39 years old, Filipino, is the Head for Human Resources and Administration of the Company. He graduated with academic distinction from San Beda College, Manila in 2002 with the degree of Bachelors of Arts in Philosophy and Human Resources Development. Currently, he is taking the Executive MBA degree program at the Asian Institute of Management. Prior joining the Company, he was the HR Manager of Ayala Property Management Corporation, a subsidiary of Ayala Land Inc. He also worked as the HR Officer of DMCI Project Developers, Inc. He also served as the HR & Quality Management Officer of Asiatic Development Corporation.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively. The Company does not believe that its business is dependent on the services of any particular employee. Moreover, the Company has no employee and non-executive officer who is expected to make individually on his own a significant contribution to the business.

As of June 30, 2019, the directors and key officers of the Company have no material pending civil or criminal cases filed by or against them.

From time to time, the Company and its Subsidiaries, its Board of Directors and key officers are subject to various civil, criminal and administrative lawsuits and other legal actions arising in the ordinary course of our business. Typical cases include adverse claims over title to land, claims for recovery of money and damages and claims for cancellations of sales agreements and refund of deposits. In the opinion of the Company's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

COMPENSATION AND BENEFITS OF KEY MANAGEMENT PERSONNEL

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the executive officers and senior management follows:

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Aggregate executive compensation for CEO and Top 5 Most Highly Compensated Officers/ Directors	Actual 2019 (as of June 30)	42,024,363.84	0	0
	Actual 2018	75,669,989.94	10,602,391.55	0
	Actual 2017	68,404,140.35	5,248,129.54	0
Aggregate executive compensation all other officers unnamed	Actual 2019 (as of June 30)	31,581,811.65	0	0
	Actual 2018	77,307,224.87	8,993,187.67	0
	Actual 2017	69,522,249.06	4,103,388.97	0

The Company does not have any standard arrangement or other arrangements with its executive directors and, as previously mentioned, the executive directors of the Company do not receive any compensation for acting in such capacity, except for the independent directors who receives a monthly fee of One Hundred Thousand Pesos (₱100,000) for board meetings, special meetings and board committee meetings. With regard to the employment contracts between the Company and the executive officers, the Company employs the same standard employment contract applicable to all its officers and employees. The Company has not issued and/or granted stock warrants or options in favor of its officers and employees.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners

As of June 30, 2019, the Company is aware of only (2) stockholders owning in excess of 5% of the Company's common stock other than those set forth in the table below.

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Century Properties Inc. (21st Floor, Pacific Star Building, Sen Gil Puyat corner Makati Avenue Makati City)	-CPI-[15] Carlos Benedict K. Rivilla, IV Duly authorized representative	Filipino	5,612,370,679	47.97%
Common	PCD Nominee Corporation (Filipino) (G/F Phil Stock Exchange Bldg., Makati) (relationship with issuer – None)	PCD Fil[2]	Filipino	2,863,165,514	24.68%

[15] The total shareholdings of CPI consist of directly-issued shares for 5,612,370,679 (certificated), and 1,764,050,002 (scripless).

Security Ownership of Management

The amount and nature of the ownership of the Company's shares by the Company's directors and officers, as of June 30, 2019, are set forth in the table below.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class
Common	Jose E.B. Antonio	79,530,001-Direct	Filipino	0.685
Common	John Victor R. Antonio	1 Direct	Filipino	0.00
Common	Jose Marco R. Antonio	1 Direct	Filipino	0.00
Common	Jose Roberto R. Antonio	1 Direct	Filipino	0.00
Common	Jose Carlo R. Antonio	1 Direct	Filipino	0.00
Common	Rafael G. Yaptinchay	1 Direct	Filipino	0.00
Common	Ricardo P. Cuerva	214,995,169 - Direct	Filipino	1.838
Common	Jose L. Cuisia, Jr	1 Direct	Filipino	0.00
Common	Stephen T. CuUnjieng	1 Direct	Filipino	0.00
Common	Carlos C. Ejrecito	1 Direct	Filipino	0.00
-	Domie S. Eduvane	-	Filipino	-
-	Atty. Danny E. Bunyi	-	Filipino	-
-	Carlos Benedict K. Rivilla, IV	-	Filipino	-
-	Maria Theresa Fucanan	-	Filipino	-
-	Isabelita Ching Sales	-	Filipino	-
	Ponciano S. Carreon	-	Filipino	_
-	Ritchelle T. Cordero	-	Filipino	-
Common	Aggregate Amount of Ownership of all Directors and Officers as a Group	294,525,179		2.53

VOTING TRUST HOLDERS OF 5.0% OR MORE

As of December 31, 2018, the Company does not know of any person who holds more than 5% of its common shares of stock under a voting trust or similar agreement.

CHANGES IN CONTROL

As of the date of this Preliminary Prospectus, there are no arrangements, which may result in a change in control of the Company.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIESSECURITIES CONSTITUTING AN EXEMPT TRANSACTION

There have been no sales of unregistered or exempt securities, including issuances of securities constituting an exempt transaction within the last three (3) years from the date of this Preliminary Prospectus.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the above and those disclosed in this annual report and in the consolidated financial statements, there are no other transaction entered into by the Company on one hand, with any of its directors, officers or stockholders on the other.

FAMILY RELATIONSHIPS

Except for Messrs. Jose E.B. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio and Ms. Hilda R. Antonio, none of the above indicated Directors and Senior Officers are bound by any familial relationships with one another up to the fourth civil degree, either by consanguinity or affinity.

Messrs. John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio are brothers while Ms. Hilda R. Antonio is their mother and Mr. Jose E.B. Antonio is their father.

A complete description and the balances of the related party transactions are outlined in notes of the accompanying consolidated financial statements.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of any of the following events having occurred during the past five years up to the date of this Preliminary Prospectus that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Company:

(a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

DESCRIPTION OF DEBT

As of June 30, 2019, CPGI had the equivalent of ₱34.01 billion of approved credit facilities, of which ₱22.24 billion is outstanding.

The following table describes the consolidated outstanding long and short-term debt of CPGI and its subsidiaries as of June 30, 2019.

Description of Indebtedness	Borrower	Lender	Original Principal Amount (In ₱ Million)	Maturity / Due Date	Amount Outstanding as of 6/30/2019 (In ₱ Million)
Term Loan					
Term Loan	CLC	AIB	600	Various (Sep. 2020 to y2021)	600
Term Loan	CCDC	BDO	4,000	Aug. 2020	2,773
Term Loan	Tanza I	BDO	1,000	Feb. 2022	158
Term Loan (short-term)	CLC	BDO	500	Nov. 2019	341
Term Loan (short-term)	CCDC	BDO			65
Term Loan	CCDC II	BPI	2,200	Jan. 2028	1,306
Promissory Note	CPMI	BPI	5	1 year	5
Term Loan	CLC	Chinabank	2,000	Dec. 2019	580
Term Loan (short-term)	CPGI	Chinabank	502	Aug. 2019	497
Term Loan (short-term)	CLC	Chinabank	498	Sep. 2019	250
Term Loan	CLC	Chinabank Savings	500	Jun. 2021	500
Term Loan	CLC	DBP	1,500	Various (Dec. 2018 to Oct. 2021)	1,165
Term Loan	CLC	Standard Chartered Bank	1,000	Jun. 2020	785
Syndicated Loan	CPGI	Standard Chartered Bank	2,000	Mar. 2020	1,864[1]
Sub-total			***17,255***		***10,891***
Bonds	CPGI	Bonds	2,700	Various (Mar. 2020 to Sep. 2021)	1,513
Bonds	CPGI	Bonds	3,000	Apr. 2022	3,000
Sub-total			***5,700***		***4,513***

Contract-To-Sell Financing					
Contract-To-Sell Financing	CLC	BDO		Various (July 2019 to Apr. 2024)	315
Contract-To-Sell Financing	CCDC	BDO	3,000	Various (Apr. 2020 to Oct. 2023)	1,129
Contract-To-Sell Financing	MDC	BDO		Various (Aug. 2019 to Sep. 2027)	324
Contract-To-Sell Financing	CLC	Chinabank		Various (Aug. 2019 to Apr. 2024)	1,046
Contract-To-Sell Financing	CCDC	Chinabank	1,500	Various (Jun 2020 to May 2025)	126
Contract-To-Sell Financing	CMDC	Chinabank		Various (Nov 2019 to Feb 2026)	8
Contract-To-Sell Financing	MDC	Chinabank		5 to 10 years from drawdown	130
Contract-To-Sell Financing	CLC	Chinabank Savings		Various (Aug. 2022 to Oct. 2022)	153
Contract-To-Sell Financing	CCDC	Chinabank Savings	350	Various (Feb. 2023 to May 2023)	92
Contract-To-Sell Financing	CLC	COCOLIFE		Various (Aug. 2020 to Oct. 2022)	203
Contract-To-Sell Financing	CCDC	COCOLIFE	3,000	Various (Aug. 2019 to Sep. 2022)	2,163
Sub-total			***7,850***		***5,689***
Subordinated Secured Loan	CCDC	Golden First Century	1,500	Dec. 2019	235[2]
Sub-total			***1,500***		***704***

Letter of Credit / Trust Receipt					
Letter of Credit / Trust Receipt	CLC	BDO	500	Various (Jul. 2019 to Mar. 2020)	238
Letter of Credit / Trust Receipt	CCDC	BDO		Various (Jul. 2019 to Feb. 2020)	89
Letter of Credit / Trust Receipt	CLC	Bank of China	312[3]	Various (Jul. 2019 to Apr. 2020)	63
Letter of Credit / Trust Receipt	CCDC	Bank of China		Various (Sep. 2019 to Oct. 2019)	4
Letter of Credit / Trust Receipt	CLC	Philippine Business Bank	300	Various (Aug. 2019 to Dec 2019)	152
Letter of Credit / Trust Receipt	CCDC	Philippine Business Bank		Aug. 2019)	1
Letter of Credit / Trust Receipt	CLC	Philtrust Bank	540	Various (Jul. 2019 to Dec 2019)	297
Letter of Credit / Trust Receipt	CCDC	Philtrust Bank		Various (Jul. 2019 to Dec 2019)	58
Sub-total			***1,652***		***901***
Leasing Facility					
Leasing Facility	CCDC	BDO Leasing and Finance	50	Various (Jul. 2019 to Dec. 2023)	17[4]
Sub-total			***50***		***17***
Grand Total			**34,007**		**22,245**

[1] The syndicated loan facility with drawn amount of $40million is converted based on USD to PHP foreign exchange rate of 49.75 at the time of loan release on January 5, 2018.

[2] The $30 million loan facility with $15million drawn amount is converted based on USD to PHP foreign exchange rate of 46.90 at the time of loan release on August 26, 2015.

[3] The LCTR facility amounting to $6 million is converted based on USD to PHP foreign exchange rate of 52.00

[4] The outstanding balance excludes guaranty deposit of P8.55 million

The Company currently avails of four main types of credit facilities namely term loan, Contract-To-Sell Financing, Letter of Credit / Trust Receipt, and Leasing Facility.

The Company's term loan facilities granted by various financial institutions are paid back from profits of the business, according to a fixed amortization schedule. The Company's term loans are secured by real estate mortgage, chattel mortgage, corporate guaranty and assignment of leasehold rental. The Company has availed of term loans with maturity ranging from more than one (1) year up to five (5) years, for additional working capital, and for the development of certain projects.

Syndicated Credit Facility is provided by a group of Lenders arranged or underwritten, administered and structured by another financial institution. Like most business loans, this type of Credit Facility contain both affirmative and restrictive covenants that impose certain conditions on the borrower that permit acceleration of the maturity if the loan conditions are violated. The Company has availed of a Secured Syndicated Term Loan Facility with scheduled repayments for a fixed term of five (5) years for the purpose partially financing the construction and development of various projects.

Contract-to-Sell financing are credit facilities extended by financial institutions which purchase accounts receivables of the Company covered by Contracts to Sell of buyers of units from various projects, both on a with and without recourse basis.

Letter of Credit / Trust Receipts (LCTRs) is a type of financing extended by various banks to finance purchases mainly of construction materials for the Company's projects like cement and rebars from various suppliers. The banks essentially pay the Company's suppliers then require the Company to execute trust receipts over the goods purchased.

A bank has also extended a leasing facility to the Company for the purpose of renting equipment and vehicles used in the conduct of business. Under this facility, a lease guarantees the Company (the lessee or renter) the use of various equipment and vehicles and guarantees the bank (the property owner) regular payments from the Company for a specific period.

CORPORATE GOVERNANCE

Evaluation System to Measure or Determine Level of Compliance with the Manual of Corporate Governance

The Company has undertaken constant self-rating assessment (SRA) and performance evaluation exercises in relations to its corporate governance policies both for the purpose of monitoring compliance and instilling deeper awareness and observance by the Company's Board of Directors and top-level management.

Measures Undertaken to Comply with Leading Practices

The Compliance Officer has been tasked to keep abreast of such developments and to constantly disseminate relevant information in this regard.

Deviations from the Manual on Corporate Governance

No deviation has been noted to date.

Plans to Improve Company's Corporate Governance

Possible improvement in the Company's corporate governance policies and practices are being constantly studied and reviewed. The Company undertakes to comply with all SEC and PSE mandated corporate governance revisions and memorandums.

For 2018, the Company's submitted to the SEC the certification of compliance on corporate governance and the Annual Corporate Governance Report (ACGR). CPGI has also complied with the memorandum circular of the PSE on the submission of the corporate governance Guidelines for listed corporations. Changes were implemented on the company's website to improve its corporate governance section and the monitoring of updates and disclosures pursuant to respective SEC Memorandums.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, or any of their respective subsidiaries, affiliates or advisors in connection with the offer and sale of the Preferred Shares.

Brief History

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Philippine government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

In June 1998, the Philippine SEC granted the Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. The PSE had an authorized capital stock of ₱120 million, of which 61.2 million shares were subscribed and fully paid-up as of June 30, 2018. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President of the PSE.

On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging Board. Recently, the PSE issued Rules on Exchange Traded Funds (“**ETF**”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards.

The PSE has a benchmark index, referred to as the PSEi, which reflects the price movements of the 30 largest and most active stocks at the PSE. The PSEi is a free float market capitalization-weighted index.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE adopted a new online disclosure system to support the provision of material information coming from listed companies and enhance access to such reports by the investing public. In December 2013, the PSE Electronic Disclosure Generation Technology (EDGe), a new disclosure system co-developed with the Korea Exchange, went live. The EDGe system provided a dedicated portal for listed company disclosures and also offered a free-to download mobile application for easy access by investors.

In June 2015, the PSE shifted to a new trading system, the PSEtrade XTS, which utilizes NASDAQ's X-stream Technology. The PSEtrade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, the Exchange received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the Philippine SEC to introduce short selling in the equities market.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of 10 guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices.

The table below sets out movements in the composite index as of the last Business Day of each calendar year from 2006 to 2018, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	PSEi Level	Number of Listed Companies	Market Capitalization (in ₱ billion)	Value Turnover (in ₱ billion)
2006	2,982.54	239	7,173.19	572.63
2007	3,621.60	244	7,976.84	1,338.25
2008	1,872.85	246	4,072.16	763.90
2009	3,052.68	248	6,032.22	994.15
2010	4,201.14	253	8,866.11	1,207.38
2011	4,371.96	253	8,696.96	1,422.59
2012	5,812.73	254	10,930.09	1,771.71
2013	5,889.83	257	11,931.29	2,546.18
2014	7,230.57	263	14,251.72	2,130.12
2015	6,952.08	265	13,465.57	2,151.41
2016	6,840.64	265	14,438.77	1,929.50
2017	8,558.42	267	17,583.13	1,958.36
2018	7,466.00	267	16,150.00	1,740.00

Source: PSE

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 p.m. and ends at 3:30 p.m. for the afternoon session. Trading days are

Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.

- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three Business Days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for:

- synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the PSE;

- guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund; and

- performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the nine existing Settlement Banks of SCCP which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company, Deutsche Bank, Union Bank of the Philippines, The Hongkong and Shanghai Banking Corporation Limited, Maybank Philippines, Inc., Asia United Bank, and China Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("**CCCS**") system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares in favor of the PCD Nominee Corporation, a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares lodged in the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of Beneficial Ownership of the immobilized shares in the account of the PCD Nominee through the PDTC participant will be recorded in the issuing corporation's registry. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the Beneficial Owners of the lodged equity securities. Thus, each Beneficial Owner of shares, through his participant, will be the Beneficial Owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each Beneficial Owner's holdings, in the records of the participants. Beneficial Owners are thus advised that in order to exercise their rights as Beneficial Owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any Beneficial Owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the SCCP Central Clearing and Central Settlement system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the Beneficial Ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

Amended Rule on Lodgment of Securities

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;

- New securities to be offered and applied for listing by an existing listed company; and

- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on the listing date.

- On the other hand, for an existing listed company, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee jumbo certificates and upon such advice the PDTC shall surrender all PCD Nominee jumbo certificates to the transfer agent for cancellation. The transfer agent shall issue a Registry Confirmation Advice to PDTC evidencing the total number of shares registered in the name of PCD Nominee in the listed company's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgement of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any Beneficial Owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting shareholder.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0%

of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by the public": (i) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%) and are non-strategic in nature; (ii) trading participants (for as long as the shares held are non-strategic in nature); (iii) investment and mutual funds; (iv) pension funds; (v) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (vi) social security funds.

Listed companies which become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six (6) months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and DST.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017, the MPO requirement on initial public offerings is increased from 10.0% to 20.0%. For existing publicly listed companies, the existing rules and/or guidelines of an exchange on minimum public float duly approved by the SEC still apply. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the PSE. As of date, the SEC is looking at increasing the MPO requirement of existing listed companies to 15.0%, such proposed rules on MPO is yet to be issued by SEC for comments by the public.

FINANCIAL STATEMENTS

Annex A: Audited Consolidated Financial (Statements as of December 31, 2018, 2017 and 2016 and for the years ended December 31, 2018, 2017, and 2016 and reviewed Interim Condensed Consolidated Financial Statements as of June 30, 2019 and for the six months ended June 30, 2019 and 2018.

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RECEIVING AGENT, REGISTRAR, AND STOCK TRANSFER AGENT

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